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Reserve Bank of India

R E P O R T

ON

CURRENCY AND FINANCE

FOR THE YEAR

1950-51

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Note.— (1) Where necessary, each figure has been rounded off to the nearest final digit. For this reason, there may be in some Tables and Statements an apparent slight discrepancy between the sum of the constituent items and the total as shown.

(2) The following symbols have been used throughout the Report :

.. = Figure is not available.
 --- = Figure is nil or negligible.

(3) A line drawn across a column between two consecutive figures denotes that the figures above and below the line are not comparable. In each case a footnote is added indicating the nature of the difference.

PART I

INTERNATIONAL ECONOMIC DEVELOPMENTS

GENERAL ECONOMIC DEVELOPMENTS

World economic developments during the year 1950 fall into two broad phases with the outbreak of hostilities in Korea (June 1950) as a convenient dividing line. The earlier phase represented a continuation of the post-devaluation period and was associated with a general improvement in the international balance of payments position, which was a combined consequence of the measures adopted in 1949. In the United States this period was marked by a recovery from the mild recession of the preceding year. The post-Korean War phase was characterised by the emergence of boom conditions and of fresh inflationary pressures which attended the progress of world-wide rearmament and stockpiling.

In the period following devaluation, there ensued a further decline in the balance of payments deficits and in several countries payments surpluses appeared. The improvement in payments was, in part, the result of severe restrictions on imports which had been imposed prior to devaluation and which, subsequent to devaluation, were assisted by the higher prices of hard currency imports in terms of devalued currencies. Simultaneously, the U.S. balance of payments surplus declined, with the result that the problem of the dollar shortage became less serious. The easing of the external payments problem in the first half of 1950 was achieved at a lower level of world trade, measured in U.S. dollars, as compared with the previous year, the quarterly average being \$13.3 billion as against \$14.1 billion in 1949. In the second half of 1950 there was a further general improvement in the balance of payments position, accompanied by a substantial increase in world trade, owing particularly to the stockpiling programme in the U.S.A. The quarterly average rose sharply to \$16.0 billion, with the result that the value of world trade for the year as a whole was about 4 per cent higher than in 1949. The volume of world trade during the year has been estimated 12 per cent higher than in 1949, though this has not been fully reflected in its dollar value owing to the fall in prices, in terms of dollars, after devaluation.

The U.S. balance of payments surplus on current account fell from \$6.2 billion in 1949 to \$2.2 billion in 1950, a decline which was not so much due to the fall in exports, which were 13 per cent lower than in 1949, as to the increase in imports which were nearly 30 per cent higher. For the first time in the post-war period, there was a net outflow of gold from the U.S.A., amounting to \$1.7 billion during the year. The sterling area, in contrast, was able to replenish its reserves substantially during 1950, especially in the second half when, owing to the spurt in world demand, exports soared to high levels, while imports, despite the gradual removal of restrictions, did not grow fast enough, owing to available supplies being limited. The reserves of the sterling area rose by \$1,612 million in 1950; in the previous year they had declined by \$168 million. In place of the dollar deficit of \$1,532 million in 1949 there was a surplus of \$805 million in 1950—an improvement of \$2,337 million. It was this substantial improvement in the sterling area's exchange reserves that led to the suspension of Marshall Aid to the U.K. from the commencement of 1951. Europe's balance of payments deficit with the U.S.A. declined substantially from \$3.2 billion in 1949 to \$1.6 billion in 1950, though its overseas deficit with other countries increased from \$600 million to \$1 billion. The increase in the volume of European trade was substantial, exports being 25 per cent higher than in 1949 and imports 11 per cent. This rise was largely due to the improvement in intra-European trade and partly to the increase in the trade of

Western Germany ; in large measure it reflects the effectiveness of the various steps taken during the year to liberalise trade, including the establishment of the European Payments Union which facilitated multilateral clearing.

Payments surpluses added to the problem of inflation in certain countries by increasing incomes and the money supply. Nevertheless, on the whole, the rise in wholesale prices was comparatively moderate in the first half of 1950 in most countries; in the U.K. it was 6·3 per cent, in Canada 6·0 per cent, in Japan 4·6 per cent and in India 3·8 per cent ; in France there was a decrease of 1·3 per cent. In the U.S.A. where there was a vigorous and sustained development in national output and income, prices rose by 4 per cent in the first half of 1950, but the level at the end of June was still 3 per cent below the level of December 1948. After the outbreak of the Korean conflict, however, strong inflationary tendencies set in in the U.S.A. The U.S. demand for import goods, specially those which formed part of the U.S. stock-piling programme and which were essential to rearmament, was intensified and the prices of these goods rose sharply in a number of countries. The impact of inflation in the U.S.A. was thus communicated to these countries. Over the year, the general price level rose by 16 per cent in the U.S., 14 per cent in Canada, 21 per cent in the U.K., 15 per cent in France and 28 per cent in Japan ; in India the rise was smaller being 8 per cent.

In contrast to the first half of the year, when monetary policies were relaxed somewhat in several countries, the rising inflationary pressures in the second half led to a change to a dearer money policy ; simultaneously, in several countries, certain economic controls, which had been either relaxed or abandoned earlier, were reimposed or intensified. Monetary and credit restrictions were tightened and interest rates were allowed to rise. The long-term interest rate in the U.S.A. rose from 2·20 per cent in January 1950 to 2·39 per cent in December. In the U.K. the yield on Consols which had declined from 3·59 per cent in January 1950 to 3·40 per cent in October, rose to 3·52 per cent by the close of the year. Discount rates in the U.S.A., Canada and several European countries were raised. In the U.S.A. and a few other countries reserve requirements, which had been lowered earlier, were scaled up. In the U.S.A. the margin for loans for the purchase of listed securities was raised from 50 per cent to 75 per cent. In Western Germany, quantitative control on credit was introduced, limiting the volume of credit to the level which had obtained on 12 October 1950. In Canada and the U.S.A., restrictions on consumer credit were reimposed. In Australia and Japan, additional restrictions were placed on lending by commercial banks.

World industrial output rose by an estimated 14 per cent in 1950, the rise being the largest for any of the postwar years. In the U.S.A., although the average increase for the year was 13 per cent, the annual rate of increase touched 21 per cent in the last quarter of the year. Europe's industrial production was also 13 per cent higher than in 1949 largely owing to a further rise in productivity. On the other hand, primary production fell and stocks had to be drawn upon even to maintain the current level of industrial production.

National income data are available only in respect of some countries ; these show that the incomes of these countries in 1950 continued to rise mainly owing to a rise in prices, and partly also to a rise in real incomes. The share of personal incomes in the total national income either remained steady or increased ; it recorded an all-

time high in the U.S.A. and Canada, and moderate increases in the U.K., Australia, New Zealand and Japan. Personal consumption expenditures also rose sharply. Corporate profits as a share of the national income increased considerably in the U.S.A., Canada, the U.K. and Japan ; in Australia the increase in corporate profits was negligible, but there was a marked rise in the profits of unincorporated business. In most countries, gross domestic private investment increased appreciably. In the U.S.A. and New Zealand, the increase in this category of investment was the largest relatively to the increase in the other components of national income. To a considerable extent the rise in private investment was due to an increase in inventories as a result of anticipations of price rises in the second half of 1950. Public investment increased moderately in Canada, Australia and New Zealand ; in the U.S.A. it recorded a decline mainly due to the impact of the defence programme being felt only late in the year but partly as a result of the subsidy to agriculture and the foreign aid programmes being on a reduced scale.

ERP aid continued to be the main source of external assistance to Western Europe for the finance of reconstruction and development. For the year 1950 the total allotted by the Economic Co-operation Administration amounted to \$ 2.2 billion as compared to \$ 3.6 billion in the previous year. ERP aid will, in all likelihood, be continued beyond June 1952, though the allocation of aid, as recommended by the Gray Report, may henceforth depend on the rearmament programme undertaken by an individual country and the total impact of such a programme on its economy.

A significant development in the field of international financial assistance during the year was the attention paid to the needs of under-developed countries. In South-East Asia, a move in this direction during the year was the formulation of the six-year (1951-57) Colombo Plan covering India, Pakistan, Ceylon, Malaya and British Borneo. The increasing attention paid to rearmament in western countries has, however, raised serious doubts as to whether capital goods will be forthcoming in sufficient measure for the successful and timely implementation of development plans. A more detailed reference to this subject is made in paragraph 9.

2. PRICE TRENDS

The uptrend in the price level in most countries, outside the U.S.A. and Canada, noticed after the devaluations of September 1949, became more pronounced during the year under review, particularly after the outbreak of the Korean War (*vide* Statement 1 and Graph 1). Almost all countries, including the U.S.A. and Canada, participated in the general rise during 1950, the upswing being more marked in the devaluing countries. In the result, with few exceptions like Portugal and Turkey where a downtrend was in evidence, price levels in general were substantially higher at the end of 1950 compared to the closing levels of 1949.

In the U. S. A., as a result of the mild recession during the first half of 1949, the general price level had recorded a decline during that year of about 7 per cent. The trend was reversed during 1950 when prices spurted by 16 per cent. The first half of the year witnessed a moderate rise, reflecting mainly a recovery from the 1949 recession ; the general index number of wholesale prices, which had dropped from 188 in December 1948 to 175 in December 1949, moved up

by 4 per cent to 182 by June 1950. The rush for buying by consumers, for stock-piling and for speculative holding by business firms, accompanying the growth in inflationary pressures stimulated by Government's rearmament programme, resulted in a sharp rise in prices in all the three major component groups of commodities entering into the general index, namely, industrial products, farm products as well as foods. The general index rose from 182 in June to an all-time peak of 203 by December, reflecting, among other things, price increases by industries in anticipation of price controls and expanded defence programmes.

Countries in which the price rise was more marked than in the U.S.A. included Spain (30.8 per cent), Japan (28.2 per cent), Finland (26.5 per cent), Chile (26.1 per cent), Norway (23.4 per cent), the United Kingdom (21.2 per cent), Denmark (21.1 per cent), Belgium (19.8 per cent), Australia (19.2 per cent), Brazil (18.0 per cent), Peru (17.9 per cent) and the Netherlands (16.8 per cent); the main factor responsible for the sharp rise in these countries was the post-Korean inflation brought about by the rising demand for strategic and essential materials; as a result, import and export prices rose rapidly, the former more than the latter, and the cost structures became inflated.

The U. K. witnessed a rise of 21.2 per cent—the biggest rise since 1940 when the index had gone up by 21.5 per cent. This price rise was uneven varying with different types of commodities according to their supply situation and the increase in import costs. In Canada and France prices rose by 14.1 per cent and 15.2 per cent, respectively.

In certain countries the price rise was less marked. It ranged between 5 and 10 per cent in Iran (5.8), Iraq (7.2), Philippines (7.3), India (8.2) and Switzerland (9.9), and was under 5 per cent in Venezuela (1.8).

Portugal and Turkey showed a fall in prices during the year. In Portugal there was an almost continuous decline during 1950, the general price level at the end of 1950 being 2.0 per cent lower than at the end of 1949. In Turkey the price level showed a net decline of 2.5 per cent during the year, a fall of 12.6 per cent in the first seven months having been partly offset by a rise of 11.6 per cent during the rest of the year.

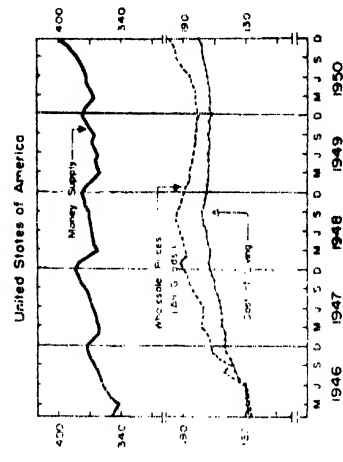
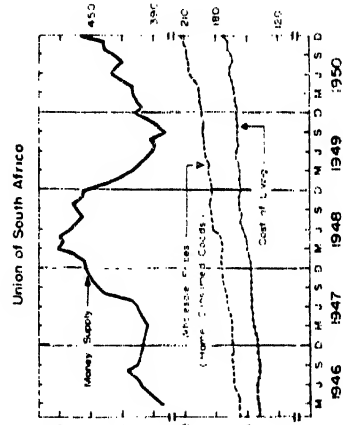
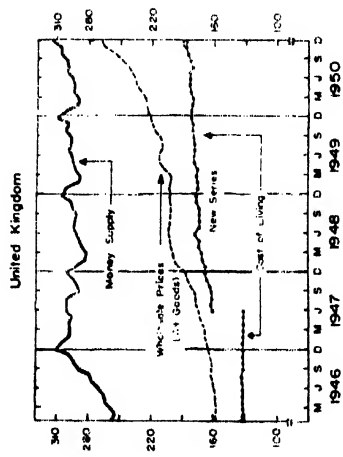
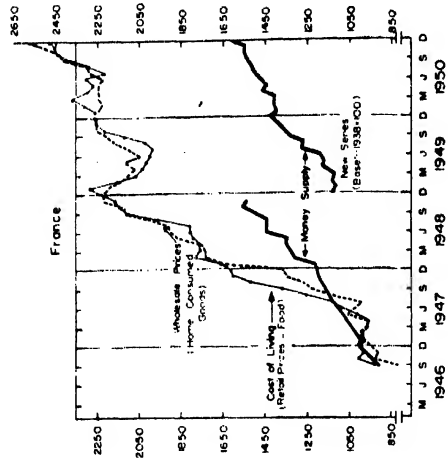
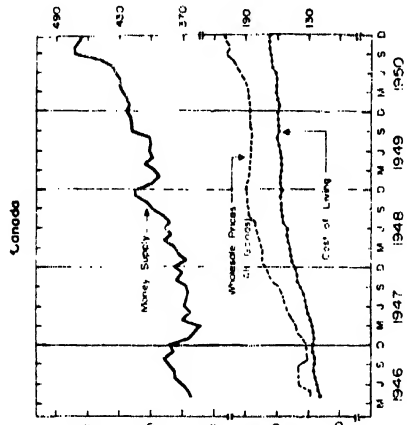
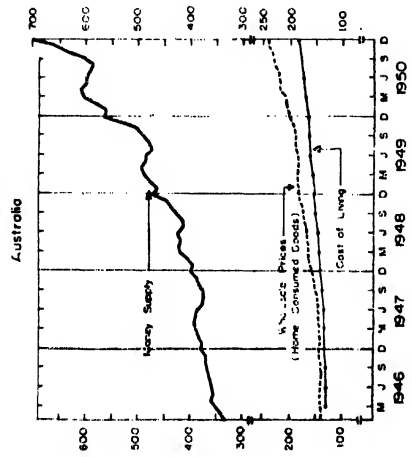
In most countries prices of raw materials and finished products showed appreciable increases in 1950, the rise being generally more marked in the former. In the U.S.A., raw materials, which had declined by 7.1 per cent in 1949, advanced by 17.6 per cent in 1950, while finished goods moved up by 14.1 per cent, as against a decline of 6.1 per cent in 1949. Canada, in the main, followed the trends in the U.S.A., raw materials and finished goods showing increases during the year of 14.9 per cent and 13.7 per cent, respectively. Among the major countries, the sharpest rise in raw materials during 1950 occurred in the U.K., the rise being of the order of 84.8 per cent; finished goods in the U.K. showed a rise of 7.4 per cent. In the Netherlands, Finland, Norway, Denmark and Sweden, the percentage rise in raw materials varied between 17.4 and 32.1 and the rise in finished goods between 11.5 and 19.4.

In most countries the money supply and prices showed a rise during 1950, which was more marked in the second half than in the first half. In the U.K. and Denmark, the increase in the money supply was negligible relatively to the increase in prices; the rise in the money supply in these countries was 1.7 per cent and

GRAPH 1

INDICES OF MONEY SUPPLY, WHOLESALE PRICES AND COST OF LIVING IN SELECTED COUNTRIES

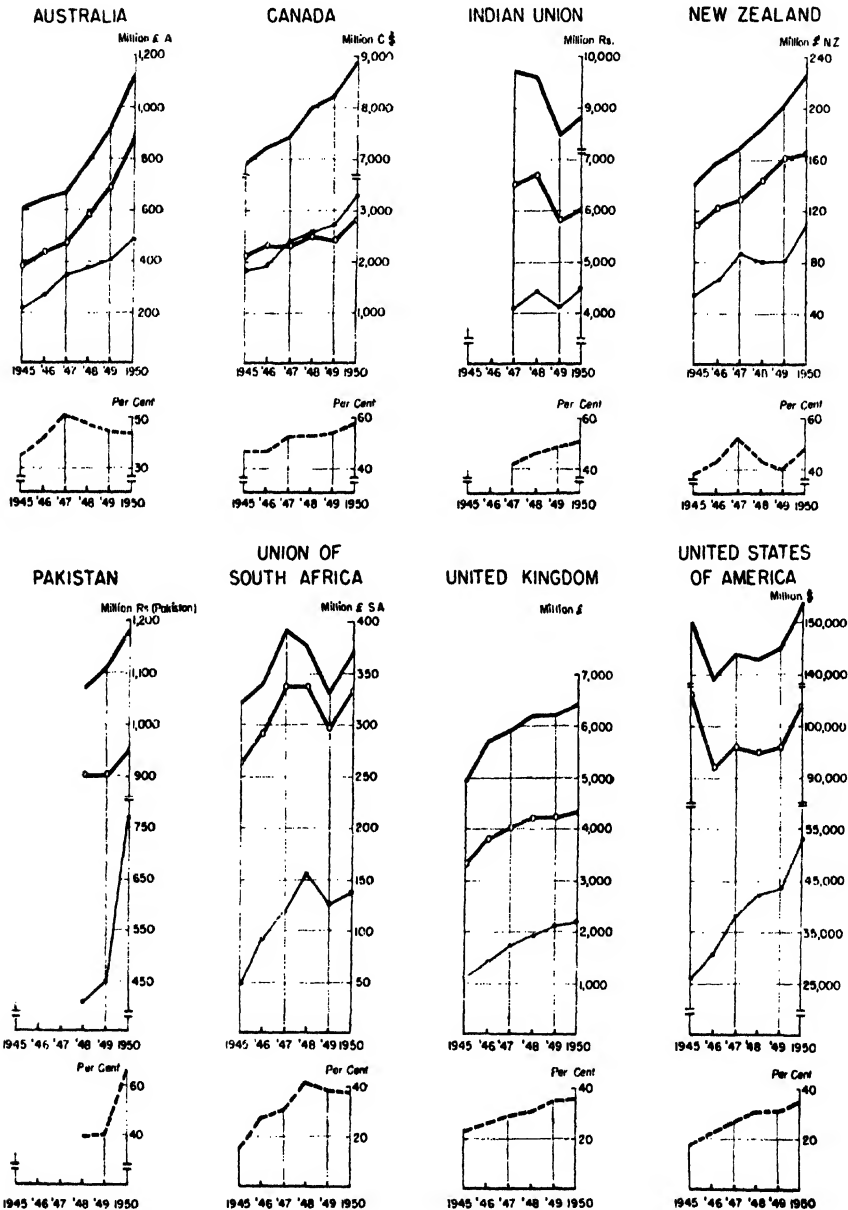
(Base: 1937=100)



GRAPH 2

DEPOSITS AND LOANS OF COMMERCIAL BANKS

Total Deposits
 Demand Deposits
 Loans and Advances and Bills Discounted
 Loans and Advances and Bills Discounted as percentage of Total Deposits



0.1 per cent, while the rise in prices was 21.2 per cent and 21.1 per cent, respectively. The money supply in the U.S.A., Canada, France, Sweden, Finland, Chile, Peru, Japan, Italy, Iraq, Switzerland and India increased more rapidly, but the increase was still lower than the increase in prices. In the Union of South Africa, Australia, New Zealand, Thailand, Mexico, Brazil, Venezuela and Philippines the money supply rose faster than prices. In the Netherlands and Norway, the money supply fell and yet prices showed substantial rises: the fall in money supply was 6.2 per cent and 2.5 per cent, the rise in prices being 16.8 per cent and 23.4 per cent, respectively. The disparity between the movement of prices and money supply is explained in a majority of countries by a compensatory movement in the velocity of circulation of money.

As already noticed, the rise in the general level of prices reflected mainly the fresh development of inflationary pressures. In some respects, notably in the U.S.A. and the U.K., the task of implementing rearmament programmes was rendered difficult owing to the absence of any spare men or spare capacity to draw upon. In the U.S.A., where bank credit had been an important factor in contributing to inflationary trends, positive measures of control included (1) the imposition of corporate excess profits tax, (2) raising member bank reserve requirements and (3) allocation and control of strategic materials and the creation of a governmental monopoly for the purchase and distribution of essential commodities like rubber. Action has since been taken to introduce a general price and wage freeze as from 26 January 1951 whereby both prices and wages have been stabilised at the highest levels reached between 19 December 1950 and 25 January 1951. In the U.K., the measures adopted included the maintenance of a budget surplus, voluntary restraint on dividends and wages, and the general restraint of credit by the banking system. Credit curbs were among the principal objectives of the disinflationary policies pursued by a number of countries. This was sought to be achieved either through a policy of dearer money or through restrictions on bank credit or through both (*vide* para. 3). In some countries, disinflationary action was limited to the imposition of price controls, encouragement of imports and similar expedients. These included many of the Middle Eastern States, notably Iraq and the Lebanon, a number of South American States, New Zealand and India.

3. MONETARY AND CREDIT POLICIES *Reced.*

To turn to a somewhat closer analysis of trends in monetary circulation, in Ceylon, Australia, Canada, the U.K., Pakistan, Sweden, Japan, the U.S.A., India and the Union of South Africa the rate of expansion was higher than in 1949. In the last three countries, there had been a contraction in the money supply in 1949 of 0.4 per cent, 9.0 per cent and 10.7 per cent, respectively (*vide* Statement 2). In the U.S.A., a mild reflationary policy pursued in the middle of 1949, as a corrective to the recession in the early part of the year, was followed in 1950 by the inflationary pressures arising from the Korean War and money supply rose during the year by 6.3 per cent. An adverse balance of payments, the monetary impact of which exceeded the effects of the budget deficit and of the open market operations, was largely responsible for the contraction in money supply in India in 1949. The expansion in the money supply (4.3 per cent) in 1950 was the combined consequence of a payments surplus, an expansion in bank credit and open market operations. The most striking expansion among the countries noticed here took place in Ceylon (40 per cent as compared to 7 per cent in 1949) and was primarily

due to an active balance of payments which led to an expansion of credit by the banking system. In the Union of South Africa, the impetus to expansion originated with the devaluation in September 1949, which had increased the price of its principal export, namely, gold, and had led to an influx of capital; the money supply increased by 12·4 per cent during 1950. The money supply in Sweden, mainly as a result of an expansion of bank credit, rose by 7·2 per cent in 1950 as compared with 2·4 per cent in 1949. A speculative influx of foreign capital and a high level of investment activity were responsible for the rise in the money supply in Australia and Canada. The rate of increase in Australia was 23·8 per cent in 1950 as compared with 19·7 per cent in 1949, the corresponding figures for Canada being 9·7 per cent and 2·0 per cent, respectively. In Japan the money supply rose by 19·6 per cent (as compared to 15·0 per cent in 1949) largely due to an expansion of credit by banks to fill in the breach caused by the suspension of credit from Government sources and the demand for funds for executing orders in connection with the Korean War. Money supply in Pakistan increased by 6·7 per cent as against a rise of 3·1 per cent in the earlier year. An increase of 1·7 per cent in the money supply in the U.K., (as compared with 1·4 per cent in 1949) took place, mainly, in the last quarter of the year.

The pace of expansion in the money supply (in continuation of the trend which had begun in 1948) slowed down in France and Italy. In France the rate of expansion nearly halved to 12·5 per cent, reflecting the success of monetary policy in the face of budget deficits and increasing wage-incomes. In Italy and Western Germany the rate of expansion slowed down to 9·1 per cent and 13·7 per cent, respectively, in 1950 from 17·4 per cent and 20·3 per cent, respectively, in 1949. In Switzerland the money supply increased in 1950 by 4·1 per cent, as compared with about 7·6 per cent in 1949, the slower pace in 1950 being partly due to a larger deficit in the balance of trade and the absence of some special factors operating in 1949.

In contrast, the Netherlands recorded a contraction of 6·2 per cent in the money supply, as against an expansion of 3·0 per cent in 1949, and Belgium a nominal reduction of 0·1 per cent in 1950 as against a rise of 3·9 per cent in the previous year. An important cause of this deviation from the general pattern in respect of these two countries, was a deterioration in their balance of payments.

In the first half of 1950 the monetary and credit policies pursued in 1949 continued unchanged in most countries; France and New Zealand were exceptions. It became necessary in these two countries to reverse the restrictive credit policies which had been in operation in the earlier year.

In Italy, a reduction in the reserve requirements of banks was made early in the year and the discount rate was lowered from 4·5 per cent to 4 per cent in April. In Western Germany, the Bank Deutscher Lander raised its ceiling on advances to Government from DM 1,000 million to DM 1,500 million, and announced its readiness to make transitional credit available for the housing programme, in anticipation of proceeds from long-term loans.

In Greece, reserve requirements were raised early in the year from 22 per cent to 25 per cent for deposits of public institutions and from 10 per cent to 12 per cent for other deposits. In May, the Bank of Japan announced a tighter credit policy.

Terms for rediscounting of bills were made more rigorous, the priority for rediscount of industrial bills covering purchase of raw materials being withdrawn. Unconditional purchases of Government bonds from the city banks, undertaken previously to mitigate the rigours of the fiscal policy, were to be given up and the Bank restricted its loans for industrial financing to the extent of filling in the gap caused by the suspension of finance by the Government after the fiscal reform. Commercial banks were enjoined not to increase their borrowings from the Bank of Japan beyond the April-end level. The Swiss Federal Government took over gold worth Sw. fr. 236 million from the Swiss National Bank, which had been rapidly acquiring gold and foreign exchange in the first half of the year, in order to reduce the impact of the inflow of foreign funds on the money supply in the country.

In France, following a decline in the money supply and bank credit in the first quarter of 1950, the National Credit Council raised the limit of advances for which prior authorization of the Bank of France was necessary from Fr. 50 million to Fr. 100 million. The overall ceiling for bills which banks could rediscount with the Bank of France was raised from Fr. 187 billion to Fr. 219 billion. The discount rate was also reduced from 3 per cent to $2\frac{1}{2}$ per cent on 9 June. In July, the Council decided to relax the obligations laid on banks to hold Treasury bills and exhorted them to favour sound economic expansion. In New Zealand the control on advances of the trading banks was relaxed in March 1950 for the first time in postwar years and again in May. The limit of individual advances granted at the discretion of banks was raised from £2,000 to £4,000, and advances relating to the purchase of livestock and farm machinery were freed from control.

In the second half of 1950, keeping in check the inflationary pressures became the keynote of economic policy. Along with budgeting for surpluses, monetary and credit curbs were introduced or strengthened even in countries in which monetary policy had been relegated to a secondary place.

A reversal of the liberal monetary policy pursued from the middle of 1949 in the U.S.A. was decided upon in August by the Federal Reserve authorities. The discount rate of Federal Reserve Banks was raised from $1\frac{1}{2}$ to $1\frac{3}{4}$ per cent in August. Banks and other lending institutions were requested to restrict their lending and investment activities. Under the provisions of the Defence Production Act passed in September 1950, consumer instalment credit was again placed under control and a new regulation was issued to control mortgage credit for house building. Despite these measures, the total volume of bank loans expanded rapidly mainly due to accumulation of inventories at rising prices in anticipation of the defence programme and a high level of consumer spending. In December, the following additional measures were announced. Effective in stages from 11 January 1951, reserve requirements on demand deposits were raised from 22, 18 and 12 per cent for Central Reserve City, Reserve City and Country Banks to 24, 20 and 14 per cent, respectively, and on time deposits from 5 to 6 per cent for all member banks. Margin requirements for lending against purchase or sale of listed stocks by banks and brokers were raised from 50 to 75 per cent. Control on real estate credit was tightened.

Among the counter-inflationary measures taken in the field of monetary policy in certain other countries, a rise in the discount rate was the most common (*vide* Table on page 10). Canada and several European countries raised the

rates of discount. In Denmark the discount rate was raised twice, in July from $3\frac{1}{2}$ per cent to $4\frac{1}{2}$ per cent and in November to 5 per cent. In the Netherlands and Sweden, the rate was raised from $2\frac{1}{2}$ per cent to 3 per cent. In Western Germany, the Bank Deutscher Länder raised the rate of discount from 4 per cent to 6 per cent and this resulted in a rise in the rates for discounts and advances at the Land Central Banks from 4 per cent to 6 per cent and 5 per cent to 7 per cent, respectively. Belgium and Finland raised the discount rates from 3.25 per cent and 5.75 per cent to 3.75 per cent and 7.75 per cent, respectively. The Bank of Canada raised the bank rate from $1\frac{1}{2}$ per cent to 2 per cent. The rise was intended to serve as an indication of a more flexible monetary policy rather than as a serious hindrance, as the chartered banks had hardly any recourse to the Bank of Canada for accommodation.

CHANGES IN CENTRAL BANK DISCOUNT RATES

Country	Date of change	Rate per cent		Difference
		Before change	After change	
1. Belgium	11 September 1950	3.25	3.75	+0.50
2. Canada	17 October „	1.50	2.00	+0.50
3. Denmark	4 July „	3.50	4.50	+1.00
	2 November „	4.50	5.00	+0.50
4. Finland	2 November „	5.75	7.75	+2.00
5. France	9 June „	3.00	2.50	-0.50
6. Germany (Western Zones)	27 October „	4.00	6.00	+2.00
7. Italy	5 April „	4.50	4.00	-0.50
8. Netherlands	26 September „	2.50	3.00	+0.50
9. Sweden	1 December „	2.50	3.00	+0.50
10. U.S.A.	21-25 August „	1.50	1.75	+0.25

Source : International Financial Statistics.

Raising reserve requirements in countries having flexible reserve ratios was another weapon employed for controlling credit. In Western Germany, reserves against sight deposits in centres with an office of a Land Central Bank, were raised from 10 per cent to 15 per cent and in other centres from 8 per cent to 12 per cent. Reserves against time deposits were raised from 4 per cent to 8 per cent. In Ceylon, for the first time after the setting up of the Central Bank in August 1950, an increase of reserves against demand deposits from 10 per cent to 14 per cent was announced towards the close of the year. A fairly drastic increase in reserve requirements was embodied in a Bill presented to Parliament in Norway in December 1950. The Bill sought to raise the reserves of commercial banks against their short-term deposits from 20 per cent to 50 per cent and against their total liabilities from 5 per cent to 10 per cent. The reserves against the total liabilities of savings banks were to be raised from 10 per cent to 20 per cent. The Bill also prescribed that the additional reserves should be held in the form of Government securities or securities guaranteed by Government, deposited with the Bank of Norway.

In Sweden reserve ratios were imposed upon banks for the first time. The five largest banks had to provide 10 per cent of their liabilities (excluding savings accounts and guarantees issued) in cash and easily realisable assets ; further, of this 10 per cent, at least a quarter had to be kept on current account at the Riksbank and two-fifths in cash on hand and on current account with the Riksbank together. The smaller banks were required to maintain cash reserves of 6 per cent or 8 per cent according to the size of the bank.

Among the quantitative controls may be mentioned the directive to Land Central Banks in Western Germany, limiting their volume of credit to the level of 12 October 1950.

Selective control took the form of restriction of consumer credit in Canada, a revision of advances policy in Australia and additional curbs on lending by banks in Japan. In Canada control over instalment credit was imposed under which 20 per cent of the sale price of most durable consumer goods was payable in cash (33½ per cent in the case of automobiles) and the period of maturity was limited to 18 months. In the third major postwar revision in the policy regarding advances in Australia, the trading banks were asked to adopt a more selective policy. Finance for long-term purposes, with appropriate exceptions, was prohibited and borrowers were to be generally persuaded to have lesser recourse to banks. In Japan loans for 'Special War Demand' were restricted only to those orders for which contracts had been actually concluded and stricter terms were prescribed for the discount of commercial bills.

Moral suasion was also pressed into service in a number of countries. Consultations and agreements with commercial banks for exercising voluntary restraint took place in Australia and Sweden, and in Ceylon and Switzerland the banks were approached with a similar request. The Bank of Japan warned the city banks against extending loans for speculative purposes. In Belgium the banks were recommended to restrict accommodation on instalment sales.

Among the other monetary measures may be mentioned Canada's adoption of a flexible exchange rate and its attempt to neutralise substantially the impact of an influx of capital on the money supply through Government's overall cash surplus and the sale of Deposit Certificates to chartered banks. The Bank of Ceylon advised the commercial banks against undue repatriation of foreign assets acquired by the banks in view of a highly active balance of payments. Certain countries attempted to meet the inflationary pressures by raising foreign loans. The National Bank of Belgium placed in the Swiss market Sw. fr. 55 million of Government notes held by it pending the issue of a long-term loan. Australia borrowed \$ 100 million from the IBRD for importing capital goods. South African mining companies raised capital in the U.S.A., Switzerland and the U.K.

These monetary measures were generally taken in conjunction with fiscal measures such as increasing taxation and reducing expenditure. Restrictions on imports were also relaxed in certain countries in which the payments position permitted it. But direct controls were not generally favoured as it was felt that with economies working at full employment level, such measures might drive inflation underground instead of eliminating it.

Statement 3 gives the money market rates and Statement 4 the main items of liabilities and assets of commercial banks in selected countries. Graph 2 shows the relative positions of deposits and loans of commercial banks in the U.S.A., the U. K. and six other Commonwealth countries.

4. INTEREST RATES AND CAPITAL MARKETS

Capital markets in 1950 were profoundly influenced by international political tension; the level of savings was rising in many countries, but with an increasing proportion of resources being diverted to defence purposes, the part available for civilian investment had perforce to be curtailed, while the demand continued to rise. The desire for a flexible interest rate pattern was all the more evident as inflationary pressures mounted as a result of near-war conditions, giving rise to shortages or fears of shortages of consumer goods which led to increased consumer buying. It would appear that during the year there was a gradual but definite return to 'monetary orthodoxy' in the policies pursued by many leading countries to counter the new inflationary surge. Six European countries, the U.S.A. and Canada raised discount rates in the latter half of 1950 and elsewhere the monetary authorities allowed a rise in long-term rates to take place. The trend for a hardening of rates was visible even in countries which had heretofore followed a policy of cheap money.

In the U.S.A. a divergence emerged between the Treasury and the Federal Reserve Board viewpoints over matters of financial policy. The Federal Reserve Board considered that to meet a situation where inflationary pressures were mounting a rise in interest rates was necessary. The matter came to a head in August when the Treasury announced its autumn refunding operations at the old rate. Almost simultaneously the Federal Reserve Board approved of a rise in the discount rate by the Federal Reserve Banks from $1\frac{1}{2}$ to $1\frac{3}{4}$ per cent. To enable the success of the refunding operations, the Federal Reserve bought the maturing issues and sold short-dateds at a discount to firm up the rate structure. Soon after, selective controls such as those on instalment and new housing credit were introduced. The Federal Reserve's desire for a more general credit curb which would imply a restoration of flexibility in its open market policy was granted after the announcement of 'full accord' with the Treasury in March 1951. To help preservation of orderly conditions in the Government bond market, the Federal Reserve made substantial purchases of securities in the last four months of 1950. However, the year as a whole saw a gradual rise in long-term interest rates in the U.S.A. from 2.20 per cent in January 1950 to 2.33 per cent at the end of June and 2.39 per cent at the end of the year.

In Sweden, where in the postwar period the long-term yield had been pegged at around 3 per cent, the Riksbank withdrew the peg on 24 July. During the first half of the year, market resources were comparatively plentiful due to an increase in the volume of money supply and credit. The Riksbank had, therefore, to sell some of its holdings of bonds so as to maintain the level of 3 per cent for long-term issues. The position changed after the middle of the year, and with the demand for bonds falling short of the supply, it became necessary for the Riksbank to make support purchases of them. The support was soon withdrawn in view of the inflationary situation. This led to a fall in prices, the 3 per cent Loan, 1934, which in mid-July was quoted at par, receding by November to SKr. 92½; the rise in the discount rate from $2\frac{1}{2}$ per cent to 3 per cent on 1 December, further reduced its price to SKr. 90½. The long-term bond yield in Sweden, which in January was around 3.01 per cent,

rose to 3·06 per cent at the end of July, to 3·25 per cent at the end of November and to 3·32 per cent at the end of the year. In Belgium, bond quotations were tending to move upward in the earlier part of the year; in the latter half, they tended to move downward. The inflationary pressures resulting from the Korean War and rearmament came on top of internal political stresses and the bond yield which in July 1950 had stood at 4·36 per cent moved up by the end of December to 4·49 per cent. In Norway and in Switzerland interest rates were hardening in the latter half of the year. In Canada, on the other hand, long-term rates did not firm up appreciably until late in the year. Till about November, the demand for and the supply of long-term bonds were more or less equal as a result of sales from the banking system. The long-term bond yield, in consequence, did not vary much from the 2·75 per cent level. It is of interest to note that during the period, the supply of short-term issues tended to be in excess of demand and as a result the spread between short-term and long-term issues was narrowed. By the end of December, however, the long-term bond yield had risen to just over 3 per cent.

In the U.K., conditions were somewhat different. In contrast to the behaviour of gilt-edged prices in the previous year, the Government securities market tended to be stronger in 1950. In the early part of the year there was some hesitancy as a result of the uncertainty following the General Elections in February. But beginning with the second quarter the market improved and except for temporary setbacks, as when the Korean War began and again in October, the market remained steady for the rest of the year. The improved balance of payments position and the influx of foreign funds towards the end of the year accounted in part for the recovery, and the long-term bond yield (on Consols) which stood at 3·59 per cent in January 1950 and was at 3·55 per cent in June, fell to 3·40 per cent at the end of October before rising again to 3·52 per cent at the close of the year.

Trends in the equity markets of the world have been similar in many respects. The weight of international events, notably the war in Korea and the rearmament programmes that followed it, seem to have set the broad pattern, while domestic factors accounted for differences in individual countries. In the U.S.A. the first half of the year saw a continuation of the recovery which had begun in the second half of the previous year. With the outbreak of the war in Korea, there was a sharp setback which, however, proved to be temporary. With the assurance of a high level of economic activity, the market soon made good the losses. The index of industrial share prices which had stood at 99 in June 1949 and 121 in January 1950 moved up to 133 by mid-1950; after a temporary fall, following the Korean War, to 125 in July, it closed for the year at 145 (*vide* Statement 5 and Graph 3). Industrials and rails, in particular, were in demand. In the U.K., in the earlier part of the year, notwithstanding the improvement in external payments, the market was hesitant owing to election uncertainties. The Korean War produced a sharp recession but with the commodity boom and rearmament, prices on the stock exchange began to move up. The index of industrial share prices, which stood at 100 in January 1950, moved up to 108 in June, fell to 104 in July and was at 110 by the close of the year. The bulk of the activity was in commodity, ship-building, aircraft, motor and engineering shares. The trend in Sweden, Belgium and certain other countries was broadly similar.

The new issue market was active during the year in many countries in contrast to the previous year. In the U.K., according to the Midland Bank's estimates,

new capital raised amounted to nearly £313 million as against £138 million in 1949, and was the highest for any year since 1928, when the new floatations had amounted to £363 million. The issues in 1950 (excluding private placings with financial institutions among which these by Imperial Chemical Industries for £20 million and Distillers for £10 million were the more prominent) included about £150 million worth of the $3\frac{1}{2}$ per cent British Electricity Authority Stock, 1976-79 issued at £99. Apart from this issue, a beginning was also made with the issue of coal compensation stock in the form of the new $3\frac{1}{2}$ per cent Treasury Stock, 1977-80. The conversion of £714 million of the $2\frac{1}{2}$ per cent National War Bonds, 1949-51 due for redemption on 1 February 1951 was effected in two parts, £505 million being converted into the $2\frac{1}{2}$ per cent Funding Loan, 1956-61 (June 1950) and a further £88 million into the 3 per cent Funding Stock, 1966-68 (November 1950). Both these operations were accompanied by invitations for cash subscriptions for £100 million with the former and for £250 million with the latter. These cash issues were over-subscribed due probably to Departmental funds being used for the purpose. In the U.S.A. new issue activity was at a high level. Municipal and State issues amounted to \$3,370 million as against \$2,803 million in 1949. Total proceeds from corporate issues were estimated at \$6,292 million in 1950 as against \$6,052 million in 1949. In Canada, issues of net corporate bonds and stocks at \$C 483 million were more than double the 1949 figure of \$C 229 million; in Australia new capital issues amounted to £A65·4 million as against £A46·4 million in 1949. In the latter country, there was no control over capital issues in effect for the greater part of 1950, though as part of the anti-inflationary measures and with a view to ensuring adequate development for national security, it was re-imposed early in 1951.

5. BUDGETARY AND PUBLIC DEBT POLICIES

Until 1950-51 the postwar rising trend in Government expenditure in most countries was accounted for by the maintenance or expansion of social services; expenditure on defence in 1950-51 showed but minor variations as compared with 1949-50, except in the U.S.A. The budgets for 1951-52, however, show a shift in emphasis with defence expenditure claiming a larger share of the national revenues. The estimates of revenue and expenditure for 1951-52 are larger in almost all countries than in 1950-51. In most countries, including the U.S.A., the effort would appear to be to maintain the defence programme on a 'pay-as-you-go' basis with the minimum resort to public borrowing.

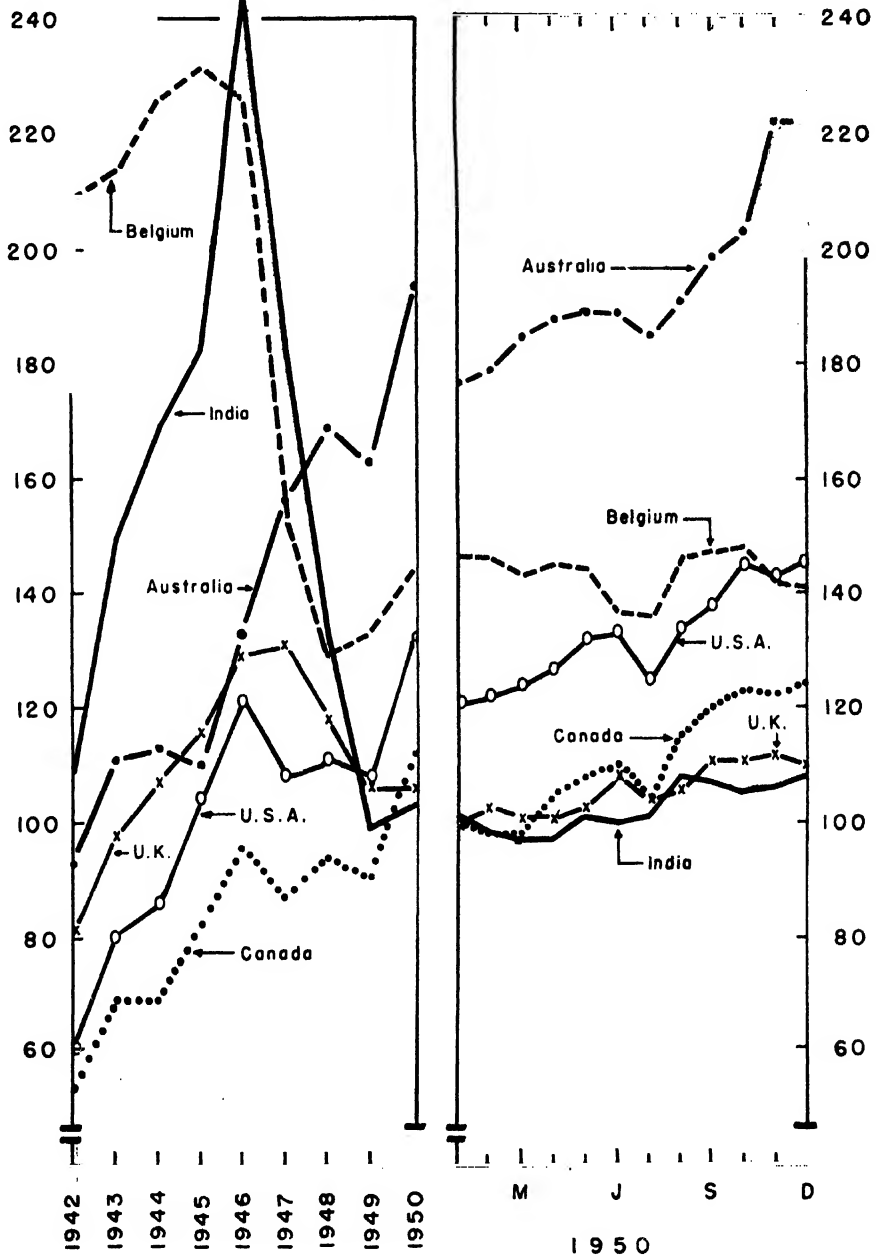
In the U.K., total revenue and expenditure on revenue account* amounted to £3,829 million and £3,268 million, respectively, in 1950-51, showing a surplus of £561 million, as against a budgeted surplus of £413 million (*vide* Statement 6 and Graph 4). The excess of non-revenue payments over receipts being £314 million, the overall surplus for 1950-51 was £247 million. For 1951-52, on the existing basis of taxation, the revenue surplus is placed lower at £86 million. The net effect of the tax changes proposed is an additional revenue of £138 million, raising the revenue surplus to £224 million, estimated revenue receipts and payments being £4,158 million and £3,934 million, respectively. Receipts and payments 'below the line'† for

* 'Above the line,' which excludes capital items. † Loans and other non-revenue items.

GRAPH 3

INDEX NUMBERS OF MARKET VALUE OF INDUSTRIAL SHARES

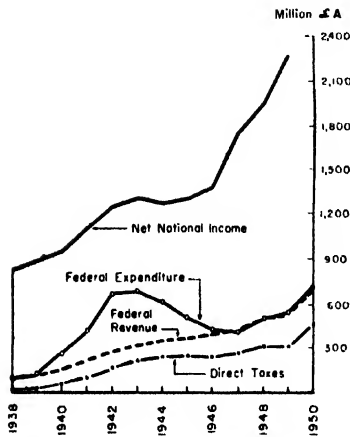
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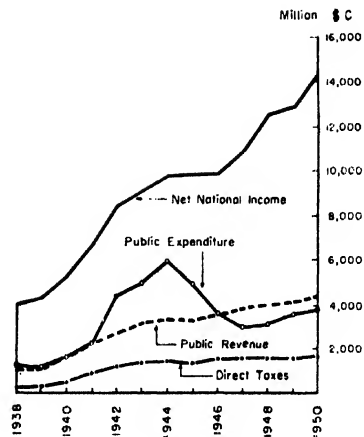
GRAPH 4

PUBLIC REVENUE, PUBLIC EXPENDITURE AND NATIONAL INCOME

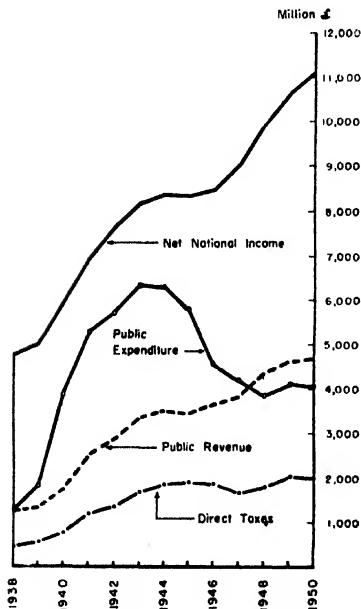
Australia



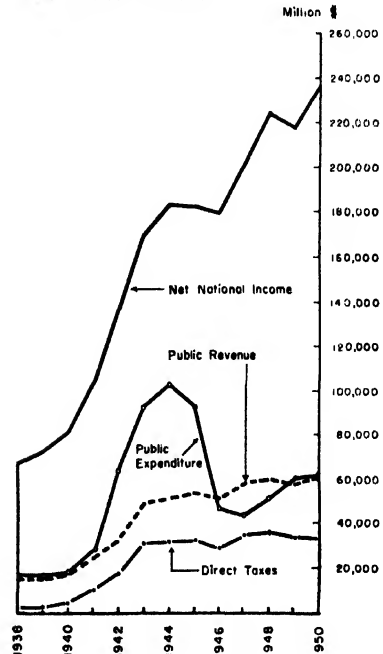
Canada



United Kingdom



United States of America



1951-52 are placed at £162 million and £843 million*, respectively, the excess of non-revenue payments over receipts being £681 million. Thus, with total disbursements estimated at £ 4,777 million, the overall deficit in 1951-52 would be £457 million; total disbursements represent 43 per cent of the estimated national income (at factor cost) for 1950 at £11,196 million. As compared with 1950-51, the increase in expenditure (on revenue and capital accounts combined) amounts to £973 million; the increase is mainly in respect of the defence programme. Food subsidies are maintained at around £400 million as in 1950-51. The estimated cost of defence (including civil defence) for 1951-52 is about £1,490 million. This includes £50 million for capital expenditure for defence production and £143 million for stockpiling of strategic reserves. The corresponding cost of defence in 1950-51 was about £800 million.

The main changes in taxation are : (1) an increase of 6d. in the £ in income-tax, from 2s. 6d. to 3s. on the first £50 of taxable income, from 5s. to 5s. 6d. on the next £200 and an increase in the standard rate from 9s. to 9s. 6d.†, with an increase of £10 each in the married persons' allowance and child allowance, (2) an increase from 30 per cent to 50 per cent in profits tax in respect of distributed profits from 1 January 1951, (3) suspension of the initial allowance on industrial buildings and plant and mines and oil wells in respect of expenditure incurred after 6 April 1952, (4) an increase of 4½d. per gallon in the duties on hydro-carbon oils, (5) increases from 33½ per cent to 66½ per cent in the purchase tax on motor cars, wirelens and television sets and many gas and electrically operated domestic appliances, (6) abolition of the purchase tax on certain essential household articles, (7) increases in certain entertainments tax rates. A charge of about half the fee will be made for dentures and of about half the cost of spectacles under the health services which were formerly supplied free.

The national debt of the U. K. as at the end of March 1951 is estimated at £25,922 million or £120 million larger than at the end of March 1950: the increase is mainly in internal debt which rose from £23,710 million to £ 23,823 million during the period. Floating debt, at £5,740 million, represents 22 per cent of total debt. National savings collections in Savings Certificates, Defence Bonds and Post Office and Trustee Savings Banks showed a net withdrawal of £ 90.4 million in 1950-51, as compared with a net withdrawal of £67.7 million in the previous year, repayments exceeding receipts under each category of savings. The total outstanding debt is about 232 per cent of the national income for 1950.

The budget estimates of the U.S.A. for 1950-51 had placed receipts and disbursements at \$37.3 billion and \$42.4 billion, respectively, interrupting the rising trend in expenditures since 1947-48. Revised estimates for 1950-51, however, show both revenue and expenditure higher at \$44.5 billion and \$47.2 billion, respectively. The increase in revenue largely resulted from a rise in individual and corporate income-taxes, including a tax on excess profits of corporations, introduced in the course of the year. At the existing tax levels, total revenue for 1951-52 is placed at \$55.1 billion, showing a substantial expansion over 1950-51. However, at the estimated expenditure level of \$71.6 billion, there is an anticipated deficit

* Of non-revenue expenditure, the major items are £300 million for loans to local authorities and £143 million for stockpiling of strategic reserves.

† This is accompanied by a reduction in the top rate of surtax chargeable for 1951-52 on incomes over £20,000 to 10s. in the £, so that the combined top rate would not exceed 19s. 6d. in the £.

of \$16.5 billion, as against a deficit of \$2.7 billion in 1950-51. The total cost of military services, foreign aid and other security programmes is estimated to rise from \$26.8 billion in 1950-51 to \$52.3 billion in the budget year. The estimate for 1951-52 is nearly three times the expenditure incurred under these heads in 1949-50. Appropriations for international military and economic assistance are \$4.3 billion in 1950-51 and \$7.1 billion* in 1951-52. Total expenditure other than on national security services, veterans' services and interest on debt is placed at \$8.5 billion in 1951-52, which is \$1.7 billion less than in 1949-50 and \$0.4 billion less than in 1950-51.

The objective of U. S. budgetary policy would appear to be to cover the deficit through additional taxation rather than by borrowing. The proposed tax changes are expected to raise about \$4 billion from individual income-taxes, \$3 billion from corporate taxation and \$3 billion from certain excise duties. Further tax changes would be made later to provide another \$6.5 billion.

Total public debt, which was \$257 billion at the end of June 1950, is placed at \$260 billion at the end of June 1951. Total interest-bearing debt was \$254 billion as at the end of December 1950, of which marketable issues amounted to \$152.5 billion. The outstanding public debt is 110 per cent of the national income for 1950.

In Canada, total revenue and expenditure for 1951-52, at the existing levels of taxation, are placed at \$C 3,325 million and \$C 3,700 million, respectively, showing a deficit of \$C 375 million, as compared with a surplus of \$C 203 million in the revised estimates for 1950-51. The defence appropriation for 1951-52 is \$C 1,664 million, as compared with \$C 773 million in the previous year. While the existing tax structure will continue, a defence surcharge of 20 per cent on personal income-tax and on corporation income-tax payments† is proposed. The general commodity sales tax is raised from 8 per cent to 10 per cent and the special excise duty on certain items such as motor cars and wireless sets from 15 per cent to 25 per cent, while certain household appliances, hitherto exempt from duty, will now pay 15 per cent. The net effect of the tax proposals will be to raise revenue by \$C 405 million, so that a deficit of \$C 375 million will get converted into a nominal surplus of \$C 30 million.

The total public debt at the end of March 1951 was \$C 16,935 million, as compared with \$C 16,751 million at the end of March 1950. Of this, \$C 15,027 million was funded debt and \$C 498 million floating debt, the corresponding figures at the end of March 1950 being \$C 15,188 million and \$C 506 million, respectively. The total debt represented about 118 per cent of the national income.

The Australian Commonwealth budget for 1950-51 is balanced at an expenditure level of £A 738 million‡, which is £A 147 million higher than in 1949-50. Defence outlay is £A 133 million, or £A 79 million larger than in the previous year, mainly due to a provision of £A 50 million for building up reserve stocks of

* In his Foreign Aid Message dated 24 May 1951, the President recommended a larger provision of \$8.5 billion for military and economic assistance to other countries.

† The defence surcharge will not be applicable to the 15 per cent rate on the first \$C 10,000 of corporate profits.

‡ Inclusive of payments to States of their share of income-tax amounting to £A 75.3 million.

certain key materials and equipment needed for the defence services and war industries. On the basis of existing legislation and commitments, total revenue and expenditure for 1950-51 (excluding self-balancing items) are placed at £A 631 million and £A 691 million, respectively, showing a deficit of £A 60 million. The net effect of the budget proposals would be to add £A 197.5 million and £A 47.2 million to revenue and expenditure, respectively, thus converting the deficit into a nominal surplus of £A 0.1 million. With a view to mitigating the inflationary pressure of the abnormal wool profits, it is proposed to draw off part of the proceeds of wool sales as revenue in anticipation of the income-tax that will ultimately become payable by producers; advance deductions under this head are estimated at £A 103 million.

The public debt of the Commonwealth and the States as on 30 June 1950 amounted to £A 1,539.6 million and £A 1,078.8 million, respectively, or a total of £A 2,909.4 million. The borrowing programme for 1950-51, as approved by the Loan Council, comprises: (1) £A 175 million for public works and services of Commonwealth and State Governments, (2) 8100 million from the IBRD and (3) £A 70.6 million for semi-Governmental and Local Authorities.

The revised estimates for 1950-51 of the Union of South Africa show a surplus of £SA 4.8 million, with revenue and expenditure at £SA 160.8 million and £SA 156 million, respectively, as against a budgeted deficit of £SA 0.2 million. For 1951-52 the estimated revenue, on the basis of existing taxation, and expenditure would be £SA 168 million and £SA 182 million, respectively, leaving a deficit of £SA 14 million. Expenditure on defence is placed at £SA 16.9 million. The estimated deficit is sought to be covered by speeding up collection of tax arrears, transferring to the revenue account the balance of £SA 4 million in the War Stores Disposals Account and increases in taxation. Including the effect of the proposals, total revenue is placed at £SA 183 million, leaving a surplus of £SA 0.56 million. Expenditure on loan account is placed at £SA 65 million in 1951-52, as compared with £SA 56 million in 1950-51.

The public debt as on 31 March 1951 was £SA 771.1 million, showing an increase of £SA 39.4 million during the year; £SA 740.4 million of the public debt was internal and £SA 33.7 million external. Allowing for £SA 20.3 million in the debt redemption fund, the net debt as on 31 March 1951 was £SA 753.8 million.

The budget estimates (including the effect of budget proposals) of the Government of Pakistan for 1951-52 show a gross surplus of Rs. 19.30 crores on revenue account, at estimated (normal) expenditure and revenue of Rs. 95.53 crores and Rs. 114.83 crores, respectively; the revised estimates for 1950-51 showed a gross surplus of Rs. 28.96 crores with revenue and expenditure at Rs. 123.68 crores and Rs. 94.72 crores, respectively. Allowing for special allocations from revenue of Rs. 28 crores in 1950-51 and Rs. 19 crores in 1951-52, the surpluses on revenue account would be, respectively, Rs. 96 lakhs and Rs. 30 lakhs. The disbursements of the Government of Pakistan on capital account in 1951-52 are placed at Rs. 85.03 crores, leaving a deficit of Rs. 51.67 crores, as against a surplus of Rs. 12.04 crores in 1950-51 and a deficit of Rs. 36.13 crores in 1949-50. The main items of capital outlay for 1951-52 are: Rs. 14.34 crores for the works programme of the railways (including Rs. 7.67 crores to be met from the

Railway Depreciation Fund), Rs. 14·37 crores (net) for the purchase of essential stores for stockpiling and Rs. 17·39 crores on defence*. The overall budgetary position, including (net) miscellaneous items such as remittances, reveals a deficit of Rs. 35·90 crores in 1949-50, a surplus of Rs. 13·50 crores in 1950-51 and a deficit of Rs. 49·78 crores in 1951-52 ; this is reflected in a depletion of cash balances by Rs. 65·09 crores during the period from Rs. 91·81 crores at the end of March 1949 to an estimated amount of Rs. 26·72 crores at the end of March 1952.

The tax changes are broadly under three categories : (1) income-tax reliefs to promote savings and investment, (2) selective reductions in customs duties to help industry and to afford some relief to the common man and (3) re-organisation of the sales tax structure to give effect to the main recommendations of the Sales Tax Committee.

Excluding Pakistan's share of the public debt of undivided India, which is not yet finally determined, the outstanding public debt of Pakistan in loans floated since 15 August 1947 was Rs. 95·20 crores at the end of March 1951.

For the year ended September 1950, Ceylon's budget was originally balanced at an expenditure level of Rs. 564 million. The revised estimates show a surplus of Rs. 30 million, revenue and expenditure being Rs. 570 million and Rs. 540 million, respectively. The anticipated revenue and expenditure for 1950-51 are Rs. 656 million and Rs. 654 million, respectively†, at the existing levels of taxation, leaving a nominal surplus of Rs. 2 million. Loan expenditure in 1950-51 is placed at Rs. 128 million, of which Rs. 60 million would be met from new loans, and the rest from the anticipated surpluses for 1949-50 and 1950-51 and from additional taxation. Tax reliefs and higher subsidies amounting to Rs. 47·5 million are proposed, while additional taxation is placed at Rs. 82 million. The tax proposals include an additional duty of 15 cents per lb. on tea, new duties of 15 cents per lb. on dried rubber and Rs. 2 per lb. on pepper, and an increase in the unit rate of income-tax from 8½ per cent to 9 per cent. Outstanding public debt of Ceylon at the end of 1949-50, at Rs. 640 million, is less than the annual revenue.

The budget estimates of Sweden for 1951-52 place revenue and expenditure at SKr. 5,709 million and SKr. 5,367 million, respectively, which are higher by SKr. 337 million and SKr. 529 million as compared with 1950-51, leaving a surplus of SKr. 342 million. Taking into account the effect of certain rises in costs and the utilisation of pending appropriations, there may be no surplus. Total loan requirements for investment purposes, including utilisation of former appropriations, are placed at SKr. 500 to 600 million. In view of the Government's policy of minimising borrowing, the deficit is sought to be covered to the extent of SKr. 300 million by measures other than borrowing including a special investment tax.

The national debt increased from SKr. 12,055 million at the end of December 1949 to SKr. 12,463 million at the end of December 1950, the latter comprising SKr. 8,949 million of funded debt and SKr. 3,514 million of floating debt.

* Defence capital outlay is less in 1950-51 and 1951-52 as compared with 1949-50, due to the transfer of Rs. 10 crores to expenditure chargeable to revenue.

† Including receipts from and expenditure on the railway and electrical departments amounting to Rs. 68 million, which were being shown separately in the previous years.

6. BANKING DEVELOPMENTS

Newly Established Central Banks.—Legislation giving *de jure* recognition to the National Bank of Egypt as the central bank was introduced in Egypt in 1950 and passed early in 1951. The Bank will continue to be privately owned and will be managed by a board of 15 members, of whom the Governor will be appointed by Government. While there will be no interference in the day-to-day administration of the Bank, questions of monetary, credit and exchange policies will be decided by a Supreme Committee consisting of three representatives of the Government and three representatives of the Bank, and presided over by the Minister of Finance, who will have a casting vote. Among other matters provided in the statute are (1) complete Egyptianisation of the board of directors, (2) extension of the scope of control by the Bank over all the other banks, (3) conversion of the Bank's sterling capital into Egyptian currency, (4) full cover against note issue in gold, foreign exchange and Egyptian Government securities and (5) division of profits of note issue and of other business of the Bank, between Government and shareholders.

Specialised Institutions.—After consultations with the IBRD, an Industrial Development Bank was formed in Turkey in April 1950. The initial capital LT 12·5 million was subscribed by private banks, groups of industrialists and businessmen. The Central Bank of Turkey has undertaken to provide an equal amount of additional capital by purchasing the bonds of the Industrial Bank, and the IBRD has made available a loan of \$9 million for financing the cost of imports for industrial development projects undertaken by private enterprise. The management of the bank will be in the hands of technical experts. Full authority over policy and operation is vested in a board of seven directors, chosen from among the shareholders. The principal function of the Development Bank will be to provide medium and long-term finance for the establishment of new concerns or expansion and modernisation of old ones, and to make available to industries the services of its technical staff. The bank will help in establishing an industrial securities market. The equity capital taken over by it in the first instance, it will pass on to investors when the industries concerned have been well established. In this manner it is hoped to attract private capital to industries. Dividend on the bank's capital has been limited to 12 per cent, the Turkish Government having guaranteed 6 per cent for the first five years.

The Export Bank was established in Japan in December 1950 primarily for financing export of capital goods. The bank has a capital of Y. 15 billion contributed by Government partly out of its revenues and partly from the Counterpart Fund Special Account built up out of aid from the U. S. A. The bank will have a Governor appointed by the Prime Minister and a board of about four directors appointed by the Governor. The bank will concentrate on long-term loans, in co-operation with other banks, for the production of capital goods for export. The bank is prevented from borrowing from the Bank of Japan, and the duration of the loans made by it may not exceed five years.

In order to develop the country's agricultural and industrial resources, a Development Bank has been set up in Ethiopia in 1950 after consultations with the IBRD. This bank has an authorised capital stock of Eth. \$13 million (U.S. \$5·2 million) and replaces the Ethiopian Agricultural Bank which was created for

financing small-scale agricultural operations. A loan of \$2 million (Eth. \$5 million) has also been arranged from the IBRD for financing the foreign exchange cost of imports of agricultural machinery and industrial plants.

It was proposed in Western Germany to establish a Banks' Syndicate formed by the Agricultural Mortgage Bank and other credit institutions, which will grant credit against crop deliveries to State stores up to a total of DM600 million. The Syndicate will generally discount bills maturing at harvest time and thus help to mitigate the financial stringency at the beginning of the harvest.

In Italy the formation of a new bank, *Cassa per il Mezzogiorno*, was announced by Government as part of a ten-year development plan for Southern Italy. The bank will help speedy reclamation, improvement and redistribution of land in Southern Italy and will possibly have the benefit of assistance from the IBRD.

Other Developments.—A law was passed in Iraq vesting the supervision and control of commercial banks and *sarrafs* (money changers) in the National Bank of Iraq in place of the Finance Minister and his Advisory Committee. Licence from the National Bank for carrying on banking business has been made compulsory. Minimum paid-up capital for banking companies has been laid down at 250,000 dinars. In addition, the ratio of deposits to paid-up capital and reserves must not exceed 16:1; excess deposits should be lodged with the National Bank, which is also empowered to reduce the ratio of deposits to capital to 8:1. Reserve requirements against deposits vary between 10 per cent and 15 per cent and the banks are required to maintain liquid assets (cash, securities, Treasury bills and trade bills) of between 30 per cent and 70 per cent of deposits at the discretion of the National Bank. The following restrictions upon the operations of banks have also been laid down. Banks are not permitted to invest in foreign bonds or shares or to buy immovable property, except for their own use, or to engage in trade on their own account. Individual loans may not exceed 20 per cent of the bank's capital and reserves; the proportion may be raised to 40 per cent, if the excess is secured by gold, cash deposits, Government and other Iraqi securities and merchandise. Compulsory building up of reserves is ensured by the provision for allocating not less than 10 per cent of profits to reserves until they amount to 50 per cent of paid-up capital. The banks have to submit monthly returns to the National Bank, which is empowered to supervise and inspect their accounts, though personal information, except in the case of advances, need not be disclosed by banks. The National Bank can withdraw the licence of any bank for contravening any provision of the banking law, the final decision in this matter resting with the Finance Minister.

In Western Germany it was felt necessary by Government to bring forward legislation for ensuring its control over central banking policy, following the Central Bank's measures for dear money which conflicted with the Government's policy of promoting full employment. The Bill embodying the new measures proposes to set up a special committee comprising the Federal Chancellor, the Finance Minister, the Minister for Economic Affairs, the President of the Managing Board of the Central Bank, the President of the Central Bank Council and a representative of the national economy, to decide on matters of dispute between Government and the Central Bank Council. With a casting vote for the Federal Chancellor, Government would have a majority of the voting strength of the committee. The Bill provides that Government will hold 50 per cent of the shares of the Bank of Issue; at

present the share capital of the Bank Deutscher Lander is subscribed by the Land Central Banks which in turn are financed by the Lander Governments. It is proposed to abolish the minimum and maximum limits on the reserve requirements of commercial banks.

7. INTERNATIONAL PAYMENTS POSITION

The payments position of the rest of the world with the dollar area distinctly improved in 1950. Though the dollar deficits on current account continued, their magnitudes were smaller and the grants and loans of the United States Government exceeded, in many cases substantially, the dollar deficits, so that the rest of the world was able to add to its reserves of dollars and gold. In the case of the ERP countries, dollar deficits fell to nearly one half of the deficits in 1949. The sterling area showed a dollar surplus of \$805 million in 1950 as against a dollar deficit of \$1,532 million in 1949. Together with the outstanding ERP aid, this enabled the sterling area to augment its central reserves by \$1,612 million during the year. The difficulties of most countries in 1950 were shortages of essential supplies rather than of the means to pay for them. The emphasis shifted from pushing up exports to obtaining essential commodities from abroad, the U. S. A. being no less keen a bidder for them than any other country. Production in the ERP countries continued to improve and a part of the alleviation of the dollar problem was attributable to this recovery. This was accompanied, as in 1949, by a decline of the share of the U. S. A. and Canada in world exports, although total world trade was at a higher level than in 1949.

The two most important effects of this change were (1) the relative hardening of sterling and (2) a corresponding softening of the dollar. In addition to the improvement in the economic position of Europe, three other factors accounted for this position. Firstly, there was a sharp reduction in the U. S. exports to the rest of the world following devaluation which raised their prices to many buyers by about 44 per cent. Secondly, there was the recovery in the U. S. A. stimulating imports into it and obviating the need to cut prices on the part of the U. S. producers. The effect of this recovery was felt long before the Korean War. Finally, the intensified commodity boom following the Korean War increased the dollar earnings of primary producing countries which enabled some among them to add substantially to their gold and dollar reserves (*vide* Graph 5).

These aspects were broadly illustrated by the U. S. balance of payments. The U. S. surplus on current account fell from \$6.2 billion in 1949 to \$2.2 billion in 1950. From an annual rate of \$4.4 billion in the last quarter of 1949, it fell to an annual rate of \$364 million in the third quarter of 1950. In the fourth quarter of 1950 the surplus rose to an annual rate of \$2.4 billion; it was nevertheless smaller than at any previous time since 1941. This was the combined result of a fall in exports in 1950 by 13 per cent as compared with 1949 and a rise in imports by nearly 30 per cent. The rise in imports was particularly noticeable in the second half of 1950 when, as a result of the rearmament, the U.S.A. purchased considerable amounts of strategic materials such as rubber, non-ferrous ores and metals.

For the year 1950 the Eastern Hemisphere had a deficit of about \$1.6 billion with the U. S. A.; Canada and Latin America had in the same period a deficit of \$542 million with the U. S. A., so that the rest of the world had a deficit of

\$2.2 billion with the U.S.A. as against a deficit of \$6.2 billion in 1949. The Table below shows how this deficit was financed. The U.S. Government grants and loans of \$4.3 billion (of which \$2.8 billion went to ERP countries) more than covered the gap; the surplus was utilised by these countries for augmenting their gold and dollar assets. The net inflow of private funds from the U.S.A. accounted for \$1.5 billion, about two-thirds of which was of a capital nature. The total increase in the gold and dollar assets of the rest of the world was \$3.6 billion (as against a decrease of \$2 million in 1949).

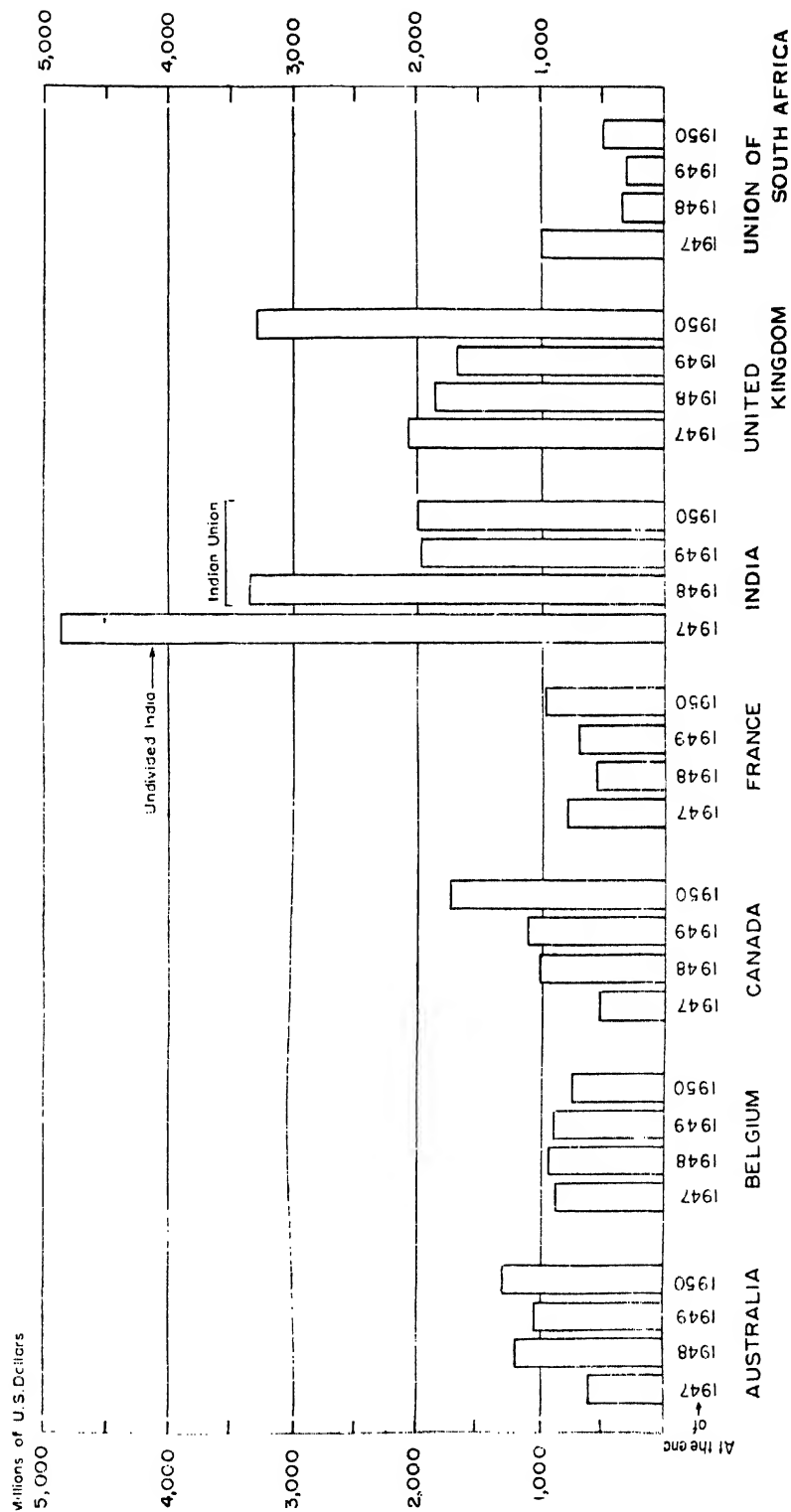
Year							(Millions of U. S. Dollars)	
							1949	1950
Exports of goods and services	..	..	..	..	..	..	15,956	14,351
Imports of goods and services	..	..	..	..	..	..	9,715	12,142
U.S. surplus on goods and services	..	..	..	..	..	..	6,241	2,209
Means of financing the surplus :								
<i>Liquidation of gold and dollar assets</i>	..	..	..	..	..	..	2	-3,628
<i>Dollar disbursements (net) by :</i>								
IMF	..	..	..	..	..	..	99	— 20
IBRD	..	..	..	..	..	..	38	37
<i>U. S. Government Aid :</i>								
Grants (net)	..	..	..	..	..	..	5,304	4,133
Long and short-term loans (net)	..	..	..	..	..	..	643	159
<i>U. S. Private Sources :</i>								
Remittances (net)	..	..	..	..	..	..	515	439
Long and short-term capital (net)	..	..	..	..	..	..	616	1,089
Errors and Omissions	..	..	..	..	..	..	— 976	—

Out of the total of \$3.6 billion, Canada and Latin America accounted for about \$1.0 billion and the non-dollar world as a whole increased its assets by \$2.6 billion. Between 1946 and September 1949, the Eastern Hemisphere had lost assets of the value of about \$7.6 billion; 34 per cent of this loss was regained during 1950.

The Significance of Rearmament.—The shortages of raw materials assumed serious proportions in the latter half of 1950. Statement 7, which gives the wholesale prices of certain principal commodities in the U.S.A., shows that the upward trend in prices appeared in some cases as early as January 1950. After the outbreak of the Korean War, the movement, until then attributable to the U.S. recovery, gathered fresh

GRAPH 5

GOLD AND FOREIGN EXCHANGE HOLDINGS OF SELECTED COUNTRIES



strength and the prices of tin, rubber, wool, zinc, copper, sulphur and other materials needed for defence purposes began to shoot up. Cotton, though not required to the same extent for stockpiling, also rose considerably, the principal factor in this respect being the shortfall in the U.S. crop in 1950-51. The upswing in raw material prices continued throughout the year. The most phenomenal increase was noticed in rubber, which rose from \$ 0.18 to \$0.78 per pound between December 1949 and December 1950 or by 331 per cent ; wool and tin rose during the same interval by 98 per cent and 92 per cent, respectively.

A large proportion of these scarce commodities having been acquired by the U.S.A., other countries had to be content with what little they could get. Since a great many European industries (and their rearmament programmes) depended on raw materials, there ensued a competitive bidding up for them. The countries whose exports consisted predominantly of manufactured goods found that their import costs were going up to the detriment of their exports.

The commodity boom enabled the primary producing countries, particularly Malaya, Ceylon, South Africa and Australia, to make sizable additions to the central reserves of the sterling area. An inevitable consequence of this, however, was an intensification of the inflationary pressure in these countries. In India, where export prices of jute manufactures were subject to control, Government had a special responsibility to prevent leakages of foreign exchange, which were induced by disparities between domestic and foreign prices. In an effort to hold in check the inflationary consequences of higher exchange earnings, Governments of Australia, South Africa, India and Pakistan imposed fresh export duties on wool, and Malaya, Ceylon and Indonesia levied duties on the exports of rubber.

A secondary development of the rearmament programme was a steep rise in freight rates in the second half of 1950. The increased movement of raw materials and of exports generally, the decision of the U.K. to import coal from the U.S.A. and the requirement of food imports into India from the U.S.A. and Canada put a great pressure on the shipping industry. The freight rates rose to unprecedented levels during the last quarter of the year when the demand for shipping normally tends to be heavy. Between June 1950 and December 1950, the rise in the U.K. freight rate index was about 56 per cent.

With a view to ensuring equitable distribution of raw materials and at the same time defending the interest of the raw material producing countries, following discussion between the U.K., the U.S.A. and France, a new organisation called "The International Materials Conference" was established in February 1951 with a "Central Group" consisting of the representatives of the U.S.A., the U.K., France, India, Australia and a few other countries. The Conference would have committees for each commodity which would study the problems relating to that commodity, including production, distribution and utilisation. Six such committees were functioning at the end of March 1951. Individual countries took measures (1) to cut down the use of the materials in short supply for civilian consumption, (2) to ban the use of some materials such as copper, zinc and aluminium in the production of non-essential goods and (3) to adopt certain schemes of bulk purchase. A system of 'rotation' of stocks of perishable commodities in the stockpile was introduced whereby old stocks would be released for meeting immediate consumption needs, while fresh purchases were made for stockpiling purposes.

Sterling Area.—The Table below gives statistics of changes in the central reserves of the sterling area during the four quarters of 1950 and of the preceding year :

(Millions of U. S. Dollars)

Period	Net deficit or surplus	Drawings on Canadian Credit	Drawings on IMF	Receipts under ERP	Change in reserves	Reserves at end of quarter
1949						
January—March	— 330	30	32	324	+ 56	1,912
April—June	— 632	30	—	341	— 261	1,651
July—September	— 539	29	—	284	— 226	1,425
October—December	— 31	27	20	247	+ 263	1,688
Total	— 1,532	116	52	1,196	— 168	
1950						
January—March	+ 40	27	—	229	+ 296	1,984
April—June	+ 180	18	—	240	+ 438	2,422
July—September	+ 187	—	—	147	+ 334	2,756
October—December	+ 398	—	—	146	+ 544	3,300
Total	+ 805	45	—	762	+ 1,612	

The reserves stood at \$ 3,300 million as on 31 December 1950. All the four quarters of the year showed a surplus in the sterling area's dollar payments which, together with the Marshall Aid and some small drawings on Canadian credit, gave rise to an increase of \$ 1,612 million in the reserves during the year. The surplus during the last quarter of 1950 was at a high rate of \$ 1,592 million per year. The principal factor for this rise, according to an official explanation, was an inflow of funds from North America, mainly in anticipation of future commercial needs provoked by rumours of revaluation of sterling in October. Funds flowed into the sterling area also from the European countries. As long as rumours of sterling revaluation persisted, payments due from these countries to the sterling area were promptly settled, while payments due to them tended to be held over. The large surplus of the U. K. in the EPU was partly attributable to this factor, and with the exhaustion of the portion of the British quota which had to be wholly extended as a credit, gold payments became due for one half of any additional surplus. According to the Treasury estimate, the net inflow of hot money from the U.S.A. and European countries in the fourth quarter was of the order of \$ 132 million.

The improvement in the payments position continued in the first quarter of 1951, when the central reserves of the sterling area rose further by \$458 million

to \$ 3,758 million. This was inclusive of \$ 98 million of Marshall Aid. During the 15 months ended March 1951, the central reserves rose by \$ 2,070 million or more than doubled.

In his review of the Economic Record of 1950, the British Chancellor of the Exchequer commented on the change from the dollar deficit of \$ 1,532 million in 1949 to a surplus of \$805 million in 1950—an improvement of \$ 2,337 million. He attributed about 40 per cent of this improvement to the deliberate policy of dollar economy by Britain and other members of the Commonwealth and about 33 per cent to the rise in the U. S. demand for sterling area goods which was accentuated since the Korean War. Other factors responsible for the improvement included the achievement by Britain of a surplus on invisible transactions with the dollar area, the elimination of dollar payments by the sterling area to non-dollar countries, and the inflow of funds on the expectation of a revaluation of sterling.

Striking as the improvement was in the central reserves, it did not eliminate the dollar problem of the sterling area. Over two-fifths of the increase in reserves was attributable to receipts of Marshall Aid which, as mentioned earlier, has been suspended for the time being from January 1951. The real value of the sterling area reserves at current prices is not very much in excess of one-third of their value in prewar days.

The increase in the gold and dollar reserves was accompanied by a rise of about £382 million in the U. K.'s sterling liabilities to the rest of the sterling area and a fall of about £50 million in the liabilities to non-sterling countries. An explanation for these divergent movements was, at least in part, the rest of the sterling area's surplus with Europe; the sterling countries received payment in sterling thereby adding to their balances, while the European countries paid for their purchases either by running down their balances or borrowing from Britain through the EPU.

A noteworthy development during the year was the progress made towards a long-term solution of the sterling balances problem: plans were announced in December 1950 for a systematic drawing down of the sterling balances held by India, Pakistan and Ceylon. The arrangements which have yet to be formally worked out contemplate a release of some £ 246 million from the blocked balances of the three countries. India will be free to use up to £ 35 million annually for six years beginning in July 1951 and Ceylon up to £3 million annually for seven years as from last July; details of the arrangements with Pakistan have not been announced. The Chancellor of the Exchequer suggested that by 1957 the sterling balances of the three countries might be reduced, under these plans, to something like the amounts which they may wish to hold as their normal reserves.

Europe : The increase in the reserves of gold and U.S. dollars of European countries (excluding the U.K.) during 1950 was about \$612 million (in spite of the reduction in Marshall Aid), as against an increase of \$ 313 million in 1949. This improvement resulted, among other things, from a steady improvement in the level of European production and exports, business recovery in the U.S.A. and, after the Korean War, an enormous increase in the demand for raw materials, many of which came from the overseas territories of the European countries concerned.

If difficulties of procuring raw materials continue, these countries may find it difficult to maintain their production and exports and their payments positions might suffer in consequence.

There was an improvement not only in the external trade of Europe but also in the level of intra-European trade which rose to 115 per cent of the prewar level in the first half of 1950. The intra-European balance of payments ceased to be settled by the largely bilateral Second Intra-European Payments Scheme which was in operation till 1 July 1950. Under the present Agreement for the establishment of a European Payments Union which was concluded in September—but had retrospective effect from July 1950—all intra-European balances are to be settled multilaterally. Each country is allotted a quota which measures the extent to which it is obliged to lend to or can borrow from the Union. At the end of every month the net surplus or debit of each European country *vis-a-vis* the rest is calcu-

quota. Beyond a certain percentage of the quota, credits or debits must be settled at least partially in gold or dollars. During the first nine months of its operation the U. K. was an outstanding creditor to the EPU. Its net surpluses during that period amounted to £226·6 million, out of which £30·6 million were settled by running down European sterling balances, £162·0 million were extended as a credit, and £33·4 million were received in gold. Quite early in its operation, the EPU was faced with the problem of an excessive deficit run up by Germany. By September Germany had exhausted all the credit it was permitted under the Union and the gold settlements it was liable to make were far beyond its resources. The management of the EPU, therefore, granted Germany an extraordinary loan of \$120 million and recommended certain special measures to improve its balance of payments.

During the first quarter of the operation of the EPU, intra-European trade increased to 123 per cent of the prewar base and was 5 per cent higher than in the previous quarter. Some of this was reflected in the increased activity which was a common feature of world trade during the second half of 1950. Whether the multilateralism introduced by the new scheme was also partly or substantially responsible, it may be too early to say. It is obvious that whatever the advantages of the scheme, it is not designed to adjust abnormal conditions of imbalance, such as those illustrated by Western Germany and to some extent the U. K., without impairing intra-European trade. The effects of the German imbalance appeared to have spread to Holland and Denmark, which accumulated deficits with the EPU as Germany had curtailed imports from these countries.

ECAFE Countries : Balance of payments data for the year are not available for all countries of the ECAFE region. But the balance of trade figures, which are available for the first nine months of 1950, give an idea of the improvement in their external accounts. The invisible account is not a very important element in the balance of payments of these countries and there is reason to believe that during 1950 most of the countries were able to finance their deficits on invisibles from their trade surpluses.

A positive balance was not achieved by all countries but those which had incurred heavy deficits in 1949 managed to reduce them or convert them into surpluses, while the surplus countries increased their surpluses. Burma was an

exception with a reduced surplus in 1950. Indonesia secured a surplus at an annual rate of \$320 million in 1950 as against a deficit of \$37 million in 1949. Pakistan was running a surplus at an annual rate of \$92 million in 1950 as compared to a deficit of \$135 million in 1949. Ceylon increased its surplus from \$1 million in 1949 to an annual rate of \$51 million in 1950. In Japan the improvement took the shape of a reduced deficit approximately half of that in 1949. Industrial production in Japan and Japanese exports showed a further rise, but the revival appeared to have been slower than had been expected a year ago. Japan was unable to finance more than two-thirds of its imports from exports last year and it might be some time before it re-emerges as a major factor in the trade of this region or of the world.

Most of the improvement noticeable in this region was due to the increased demand for its raw materials following the Korean War. The soundness of the external financial position of these countries would in the long run depend on how quickly they are able to develop their economies. Plans for development already existed in a number of countries particularly those which participated in the Colombo Plan. But their implementation may be hindered if the rearmament in the Western world should interfere with the supply of the necessary machinery and capital equipment.

Transactions of the IMF.—No purchases of foreign exchange were made by member countries from the IMF during 1950. Member countries repurchased from the Fund during the year about \$29·5 million worth of their currencies. Thus Belgium repurchased Belgian francs worth \$20·6 million with \$12·1 million in U. S. dollars and \$8·6 million in gold. The repurchase obligations of Egypt amounted to \$8·5 million, of which \$7·7 million was paid in U. S. dollars and Ethiopia repurchased its currency with \$0·3 million. In January 1951 the Fund sold £10 million sterling to Brazil.

8. GOLD POLICY

There was no change in the gold policy of the IMF during the year, though pressure for a change in policy was applied by some of the gold producing countries. The Report of the Executive Directors of the Fund on "External Transactions in Gold at Premium Prices" referred to in last year's Report on Currency and Finance was approved by the Board of Governors in September 1950. In this Report, the Executive Directors had rejected the South African resolution seeking to allow members to sell in any market up to one half of their newly-mined gold at the ruling premium prices on the grounds that this would increase the payments difficulties of the gold absorbing countries, reduce the supply of gold to monetary reserves, and "destroy the basic distinction between the supply of gold for monetary purposes and the supply for non-monetary purposes."

Notwithstanding the Fund's injunctions, large quantities of gold newly-mined in members' territories found their way to the free markets. The Fund had permitted the Union of South Africa in May 1949 to sell part of its newly-mined gold at premium prices for *bona fide* industrial, artistic and professional purposes. Although the Union took certain precautions (such as insisting that the importer of the gold

should have a prior import permit from the authorities in his country) to ensure that the gold was meant for legitimate uses, a large part, if not the whole, of the gold was probably diverted to the free markets.

Gold from the Belgian Congo and France is also believed to have found its way into the free market. The Bank of France sold on the Paris free market, at about \$43 per ounce, gold which it was reported to have acquired from the U.S.A. at the statutory price of \$35 per ounce. These sales apparently contravened the Fund's regulations governing the sales of gold at premium prices. The Bank of France, however, defended its action on the grounds that (1) the official parity of the franc, and hence the official price of gold in France, had not yet been fixed and (2) the sales were domestic (the Fund prohibits only external sales) and intended to be anti-inflationary. But the Paris market is in effect an international market and gold is reported to have been smuggled freely across the French frontiers. In view of these developments, the Fund directed its staff in March 1951 to consult with member countries and devise more effective methods of implementing its policy on gold sales.

The decline in prices and in the volume of transactions on the free markets in gold during the first half of 1950 was reversed with the Korean War. The war led to a substantial increase in the demand for gold for hoarding and the speculative demand was encouraged by the belief that the official price of gold might be raised with the progress of inflation and of the outflow of gold from America. In most of the free markets prices rose in July and moved up further in the last quarter of 1950. In December 1950, the price ranged between \$42.5 and \$43.1 per ounce in Paris (as against \$38.25 per ounce in June), between \$38.25 and \$39.05 per ounce in Beirut and upto \$45 per ounce in Hong Kong. Further price rises were halted by dishoarding coupled with the sales of gold by South Africa, the Belgian Congo and France. There were also reports of the sales of Russian gold in the free markets, particularly in Switzerland. It has been estimated that the sales in the free markets of newly-mined gold or of gold drawn from official reserves amounted to about six-sevenths of the estimated world production in 1950. After January 1951, free market prices of gold tended to react downwards, particularly after March 1951. The prices in Hong Kong, Paris, Tangier and Zurich in mid-March were about 9 per cent lower than in February 1951, probably reflecting continued supplies from South Africa.

The establishment of a free market for the Canadian dollar in September 1950 tended to bring its exchange rate almost to parity with the U. S. dollar; this led to a fall in the price of gold in Canadian dollars. In order to compensate the Canadian gold mines for this, the Canadian Government proposed and the Fund approved certain modifications in its scheme of subsidy to gold producers.

World Gold Production.—Statement 8 gives statistics of the estimated production of gold in the major gold producing countries of the world for the years 1939 to 1950. The total production in 1950 was estimated at 26.1 million ounces, representing an increase of 600,000 ounces over the preceding year. But it was still only 64 per cent of the peak production attained in 1940. The production in the British Commonwealth countries went up by 237,000 ounces mainly as a result of an appreciable increase in production in Canada, which more than offset a fall in production in the Union of South Africa and Australia.

Of the production in 1950, 14.4 million ounces (as against 15.2 million ounces in 1949) accrued to official reserves, 7.5 million ounces (as against 5.8 million

ounces in 1949) were sold for industrial purposes, and 1·2 million ounces (as against 4·5 million ounces in 1949) accrued to private holders. A part of the sales of gold for industrial purposes probably found its way into private hoards.

9. FINANCE FOR RECONSTRUCTION AND DEVELOPMENT

The total allocation of international and governmental funds for reconstruction and development during 1950 was somewhat less than in 1949. New plans and policies, however, were formulated during the year for the development of under-developed areas as evidenced by the Colombo Plan on the part of under-developed countries, and the Gray and Rockefeller Reports on the side of capital exporting countries.

The United States Government appropriated a sum of \$2·5 billion for the ECA for the fiscal year 1950-51 as against \$4·3 billion for 1949-50. Local currency counterpart funds deposited by the participating countries were used mainly for debt redemption in the U.K., Denmark and Norway, for industrial and agricultural production in France, Germany, Italy, Austria and the Netherlands and for relief and rehabilitation in Greece. A large part of the local currency counterpart funds reserved for the U.S.A. (which was 5 per cent of the total) was utilised to purchase strategic materials or to develop the sources of such materials, particularly in the overseas territories of Marshall Aid recipient countries such as the British West Indies and French Morocco. The special funds set aside by ECA for colonial development, technical assistance, etc., were used for the development of agriculture, communications and mines in countries such as Cyprus, Nigeria, French West Africa and the Belgian Congo.

In addition to Marshall Aid, which represented the major part of the U. S. foreign aid, the U. S. Government made available to the under-developed areas financial assistance in several forms. Specific aid was extended to certain countries (*e.g.*, Korea and Indo-China) to strengthen their defence services. In September 1950, \$34·5 million was appropriated under the Point Four Programme for the first year and two agencies collaborating in the programme, the International Development Board and the Inter-departmental Advisory Council on Technical Co-operation, were created. From Point Four funds, \$12·8 million was allotted to the United Nations Expanded Technical Assistance Programme, \$10·5 million to Latin America, \$4·5 million to the Near East and Africa, \$2 million to the Far East and \$0·5 million to Iran. Countries receiving aid under the Point Four Programme are required to conclude bilateral agreements with the U.S.A. specifying, among other things, that due publicity will be given to projects financed by the Programme and that the recipient country will bear a fair share, to be mutually agreed upon, of the cost of the projects in local currency. The projects for technical co-operation will form subjects for separate agreements. India and Ceylon have signed agreements with the U.S.A. in terms of the Point Four Programme and \$1·2 million has been provisionally allocated to India. Five specific projects in India have been approved and three of them, of which two are agricultural and the third relates to child welfare, are in the process of being implemented. Under the remaining two projects, three U.S. geologists will visit India to study the development of ground water and mineral resources. An agreement extending aid under Point Four to Nepal was signed on 23 January 1951, the initial project under the aid programme being a preliminary survey of mineral resources.

Technical assistance was also made available by the UN and its participating agencies. During 1950 the UN expenditure for technical assistance was \$1.3 million and the estimated additional costs met by the recipient Governments \$0.3 million. The help rendered consisted in making available services of experts, granting fellowships and arranging conferences and seminars. Sixty-three countries, including India, shared in the aid. Towards the middle of the year the UN launched a new Expanded Technical Assistance Programme, based on mutual assistance and co-operation. Of the contributions, amounting to nearly \$20 million, pledged by the members for meeting the costs, nearly one-third was deposited by the end of 1950. About 150 UN technical projects are currently under way or scheduled, of which 20 are in the Asia-Africa area, and another 150, costing some \$8.8 million, might emerge from the negotiations now in progress.

Financial assistance was extended by the U. S. Government for development also through the Export-Import Bank. During 1950 the Bank authorised new credits and increases in previous authorisations amounting to \$ 565.8 million, of which \$340.8 million went to Latin America, \$35 million to Europe, \$100 million to Indonesia, \$35 million to Israel, \$25 million to Iran, \$15 million to Saudi Arabia and \$15 million represented an increase in authorisations on account of revolving credits for replacement of amounts repaid. The uncommitted lending authority of the Bank as at 31 December 1950 was \$531.4 million out of a statutory limit of \$ 3.5 billion. An increase of \$ 1 billion in the lending authority of the Bank is one of the 1951 Budget recommendations put forward by President Truman.

In addition, a Bill authorising the Bank to guarantee investments abroad upto \$ 250 million (the guarantees being limited to investments in countries with which the U.S.A. has treaties ensuring non-discrimination, fair compensation and convertibility of dividends) was passed by the House of Representatives and is now before the Senate. This measure was designed to stimulate private investment abroad, which, in view of the limited amounts that official agencies may be capable of making available, remains the chief potential source of capital for reconstruction and development. But such guarantees may not offer adequate inducement to American private capital to seek investment abroad in the absence of assured peace over a period of years. The authority of the ECA to guarantee investments against losses on account of expropriations or confiscation and the convertibility of receipts from certain types of investments has recently been broadened; the investments guaranteed by ECA (through its agent, the Export-Import Bank) upto 31 December 1950 did not, however, exceed \$24.6 million, although Western Europe was more familiar to American investors than other regions in the Eastern Hemisphere. U.S. foreign investment in Asia was mainly in the form of direct investment by U. S. companies, with some experience of the region, through an extension of their branches. In 1950 the net outflow of U.S. private long-term capital amounted to \$ 950 million as against \$ 687 million in 1949. Much of this was invested in the oil industry in Venezuela and the Middle East.

During the year there was a significant increase in the volume of loans of the IBRD. As against \$94.0 million in 1949-50, \$345.7 million were lent in 1950-51, of which \$320.3 million went to countries outside Europe. There were also several changes in the Bank's loan policy. To meet the long-term credit needs of small and medium-sized industrial units, which may be too small to approach the securities market but the capital requirements of which may be too large for their proprietors to meet, the Bank advanced loans to specially created financial institutions

as in Ethiopia and Turkey or to a consortium of banks as in Mexico, which distributed the loans to the enterprises concerned. The Bank agreed in principle to finance part of the local currency costs of the Italian Government's programme for the development of Southern Italy. This marked a departure from its general policy of financing only the external capital requirements of approved projects. The Bank's loan to Australia of \$ 100 million represented its first development loan for general purposes as distinguished from loans for specific projects. The Bank's recent loan of \$ 50 million to South Africa represented an innovation in that it was made simultaneously and in association with a loan of \$ 30 million from private commercial banks in the U.S.A. The Bank lowered its commitment charge on loans from 1-1½ per cent to ¾ per cent with effect from August 1950.

Statement 9 gives particulars of IBRD loans during the year. The Bank sold without its guarantee to a European purchaser \$ 582,000 of the 3½ per cent Grand-Duchy of Luxembourg Bonds and the equivalent of about \$ 617,000 3 per cent Swiss franc Bonds of the Netherlands Herstel Bank and to American purchasers, \$ 50,000 of Credit National (France) Bonds, \$ 50,000 of Grand-Duchy of Luxembourg Bonds and \$ 50,000 of the Kingdom of the Netherlands Bonds. The sale of the bonds, for the first time without the Bank's guarantee, points to its useful role in creating a market in the U. S. A. and in Europe for obligations of member countries and thereby encouraging a flow of private capital to these countries. As the Bank's uncommitted funds were nearly exhausted with the South African loan in January 1951, the Bank raised \$ 50 million in the American market in February 1951. During the year 22 member countries authorised the Bank to use all or a part of their 18 per cent subscription in national currencies for loans by the Bank. India authorised the use of about 17 million rupees and Pakistan about 4 million rupees (Pakistan).

Poland withdrew its membership of the Bank as well as of the Fund in March 1950. Pakistan and Ceylon became members in July and August, respectively. The share subscription (which is also its quota in the IMF) of Pakistan is \$ 100 million and of Ceylon \$ 15 million. The resulting membership as on 31 March 1951 of the Bank was 49.

The formulation of the Colombo Plan marks an important forward step in regional planning. Several projects of the Plan have been drawn up with considerable care and study and some projects are already being implemented. The Plan, which is estimated to cost £ 1,868 million, is spread over a period of six years (1951-57) and covers India, Pakistan, Ceylon, Malaya and British Borneo. The cost of the Plan is made up as in the Table below :—

(Millions of Pounds Sterling)						
	India	Pakistan	Ceylon	Malaya & British Borneo	Total	Percentage of total
Agriculture (a) ..	456	88	38	13	595	32
Transport and communications	527	57	22	21	627	34
Fuel and Power	43	51	8	20	122	6
Industry and Mining (b) ..	135	53	6	..	194	10
Social Capital	218	31	28	53	330	18
Total	1,379	280	102	107	1,868	100

(a) Including multi-purpose projects. (b) Excluding coal.

The successful implementation of the projects in these countries is expected, among other things, to bring under cultivation 13 million acres of land, produce an additional 6 million tons of foodgrains, irrigate 13 million acres of land and generate 1·1 million kilowatts of electric power at the end of the six-year period.

The Indian programme includes multi-purpose projects (*e.g.* the Damodar Valley, the Hirakud and Bhakra Nangal schemes), the Integrated Crop Production Plan for increased production of foodgrains, cotton, raw jute, oilseeds and other crops, the development of transport facilities, fuller use of the installed capacity of industrial plants and public health and educational schemes.

£ 784 million or 42 per cent of the cost of the Plan is proposed to be met from the internal resources of the countries concerned. In view of their low national incomes and the correspondingly low capacity to save, larger finance by these countries may not be possible. Part of the external finance is proposed to be met by India, Pakistan and Ceylon by drawing upon their sterling balances to the extent of £246 million (India's part being £211 million). This would leave £839 million to be financed by loans or grants from other Governments or international institutions or by an inflow of private foreign capital.

The Canadian Government has agreed to contribute \$ 25 million for the first year on condition that other countries make appropriate contributions. Discussions are in progress between Governments of Canada and India on the nature of the aid required by the latter from Canada's contribution. The Government of Australia has agreed to contribute £25 million towards the cost of the Plan during the period July 1951-June 1957, the first year's contribution being £7 million.

PART II

INDIAN CURRENCY AND FINANCE

INTRODUCTORY

10. *General Economic Situation.*—The year under review marked the completion of the first year of the Republic of India. Consolidation of Part B States through integration of their finances and administrative machinery was continued.

In the economic sphere, the year was one of great stress and strain. The process of stabilisation following the devaluation of the rupee received a setback with the outbreak of Korean hostilities in June 1950. The steady deterioration in the international situation and the shortages of essential goods resulting from stockpiling, coupled with heavy outlays, in most of the leading countries, on rearmament programmes had a generally unsettling effect on the economies of nations ; this generated fresh inflationary forces, and led to a reimposition of controls which, in certain cases, had been relaxed earlier. To the inevitable effect of these developments on the Indian economy were added the disturbances caused by certain internal factors. Natural calamities led to a further deterioration of the food situation and gave rise to near-famine conditions in parts of Bihar and Madras. The continued deadlock with Pakistan over the Kashmir issue and in regard to trade relations for the greater part of the year also militated against efforts at stabilisation.

With a view to relieving the strain on the country's economy, the authorities adopted a number of economic and financial measures in addition to the controls already existing. These included arrangements for import of adequate supplies of foodgrains from all available sources, special efforts through international channels to secure sufficient raw materials from abroad and a gradual reversal of the policy of liberal exports and restricted imports. In pursuance of an eight-point programme outlined by the Finance Minister in August 1950, Government initiated measures, which aimed at holding the price level in check, maintaining and augmenting production and balancing the country's finances.

Statement 10 gives the main trends in the country's economy during the year under review. Industrial production was more or less maintained around the 1949 level despite shortages of raw materials, the official index of industrial production (*base* : 1946=100) for 1950 being 105·2 as against 106·3 for 1949. The production of raw materials, such as raw jute and cotton, showed an improvement during the year, although it still continued to be inadequate in relation to the requirements of Indian industry. The output of foodgrains, however, showed a sharp fall, the estimated deficit for 1951 being 5·5 million tons (*vide* para. 13) as against a deficit of 3·5 million tons in 1950. This necessitated stepping up of imports from a target of 1·5 million tons to over 2·1 million tons in 1950. The labour situation remained generally satisfactory in most industries, a major exception being the cotton textile industry in Bombay where a two-month strike accounted for a substantial loss in production. The general price level showed a fairly sharp rise, particularly towards the close of the year, the Economic Adviser's general index of wholesale prices (*base* : year ended August 1939= 100) rising from 392·4 in March 1950 to 438·6 in March 1951—a rise of 11·8 per cent as against a rise of 6·0 per cent in 1949-50. The balance of payments position showed further improvement especially after August

1950, the year 1950 showing a payments surplus of Rs. 61·5 crores as against a deficit of Rs. 169·3 crores in 1949. The payments position with hard currency countries improved noticeably. With worldwide rearmament and stockpiling, while it became increasingly difficult to secure adequate imports despite relaxations of import controls, the demand for some of the principal exports of this country like jute goods, cotton textiles, raw cotton, cotton waste and raw wool was intensified. The growing demand for exports at rising prices contributed substantially to the favourable balance of payments position. Currency and credit, with commodity prices ruling high, showed unusual expansion. Money supply with the public rose during the year by Rs. 99·2 crores as against a decline of Rs. 18·4 crores in 1949-50 ; scheduled bank credit showed an expansion of Rs. 84·6 crores as against a contraction of Rs. 34·2 crores in the previous year. Business activity was at higher levels than in 1949-50 as reflected in the figures of wagons loaded, cheque clearances and remittances. The industrial share markets, in common with the trend in world stock markets, were generally buoyant, although the gilt-edged section ruled weak. The Reserve Bank's index for variable dividend industrial securities (*base* : 1938=100) averaged 124·2 as against 115·4 for 1949-50, while the index for Government and semi-Government securities declined from 101·2 to 100·0. There has been some revival of activity in the capital market, though the flow of savings continues to be short of needs. The ways and means position of the Central Government remained satisfactory as indicated by the improvement in their cash balance position, while in the budget for 1951-52, Government attempted to place the national finances on a sound basis, by providing for a substantial surplus on revenue account through taxation amounting to Rs. 50·74 crores (including Rs. 19·10 crores on account of railway fares).

The general supply position showed an improvement in some sectors, although in certain others it worsened. While there was an improvement in respect of petrol, kerosene and sugar, there were, on the other hand, shortages of foodgrains and cloth.

Towards the close of the year, the outlook seemed to brighten with the conclusion, on 25 February, of a trade agreement between India and Pakistan and with the prospects (since materialised) of larger imports of foodgrains, including a loan of 2 million tons of wheat from the United States. The supply position, it is hoped, will ease with the progressive liberalisation of imports and restrictions on exports. The prospects for 1951-52 will, however, be largely conditioned by the availability, at reasonable costs, of essential goods including raw materials and capital and consumer goods from abroad.

11. *Controls*.—Most of the controls on commodities in short supply were continued during the year under review. Following the Korean War, in order to regulate the supply and prices of essential commodities in which fresh shortages either appeared or were feared and to prevent large scale hoarding and profiteering, controls were further extended. On the other hand, wherever the supply position permitted, controls were relaxed or modified. The improvement in the supply position enabled Government to abolish the existing controls on paper and to relax controls on petrol. Controls on sugar were relaxed in an effort to raise production, while developments following the Indo-Pakistan Trade Pact of 25 February 1951 necessitated the removal of price controls over raw and manufactured jute.

Following the outbreak of hostilities in Korea, Government took steps to regulate the supply and prices of certain commodities in short supply which began to receive

undue attention of hoarders and speculators. On 14 August, the Essential Supplies (Temporary Powers) Act of 1946 was amended to provide for drastic penalties for hoarding foodgrains. By a resolution of Parliament, Government assumed powers to legislate, for a period of one year* from 15 August 1950, in respect of two subjects falling in the State List, namely, (1) trade and commerce and (2) production, supply and distribution of goods. Accordingly, the Government of India promulgated on 2 September the Supply and Prices of Goods Ordinance, 1950 (later replaced by an Act on 23 December) to provide for the control of prices and the supply and distribution of eleven essential commodities. The commodities included under the Act† were (1) non-ferrous metals including brass (unwrought and semi-manufactured), (2) bicycles, bicycle parts and accessories, (3) cycle tyres and tubes, (4) electric bulbs, (5) caustic soda, (6) soda ash, (7) tanning materials (wattle bark, wattle extract and quebracho), (8) sulphur, (9) casein, (10) infants' foods (Glaxo, Horlicks, Cow and Gate milk and Ostermilk) and (11) raw rubber (for purposes of supply and distribution, its maximum price having been fixed earlier under the Rubber (Production and Marketing) Act, 1947). Specific maximum prices were fixed by subsequent notifications between 13 December 1950 and 21 March 1951 in respect of cycle tyres and tubes, electric bulbs, caustic soda, soda ash and certain infants' foods. Maximum prices of tanning materials were fixed on the basis of landed cost *plus* ten per cent. To advise Government on the fixation of prices and other matters connected with the administration of the Ordinance, a Prices Advisory Board consisting of representatives of trade and industry was constituted on 26 October.

With a view to co-ordinating and achieving a greater measure of success in regard to controls over sugar, Government brought within the purview of control, prices, production and distribution of *gur* and *khandsari* sugar by issuing the Sugar and Gur Control Order, 1950 on 6 October; later, the control over production of *gur* was withdrawn and its prices were revised upwards.

In December, Government decided to abolish statutory rationing of sugar; its distribution on the existing scales through ration shops on an informal basis was, however, continued. With a view to encouraging the production of sugar, the output of it in excess of a basic quota (fixed in respect of each factory on the basis of output in the preceding two seasons) *plus* 7 per cent, which was taken over by the Government for regulated distribution, was allowed to be sold in the free market, subject, however, to the condition that total production attained a minimum of ten lakh tons so as to enable Government to meet their commitments in regard to controlled distribution.

Following the post-Korean rise in the demand for certain export commodities and a widening of the disparity between their internal and external prices, Government took powers in December under the Indian Tariff (Fourth Amendment) Act, 1950 (amending the Indian Tariff Act, 1934) to impose export duties on commodities or to increase such duties wherever necessary. The Act also ratified the export duties levied or enhanced under the Ordinances issued on 21 October and 8 November 1950.

*Since extended by another year.

†Razor blades were originally included under the Ordinance of 2 September but later deleted from the Act. Chrome ore was brought within the purview of the Act on 7 April 1951.

With a view to discouraging premium transactions in raw cotton and raw jute and ensuring and regulating their supply to mills, the authorities further tightened controls on them. The Cotton Control Order, 1950 issued on 13 September extended the existing controls by prohibiting mills from covering their cotton requirements in the form of *kapas* with certain exceptions. A new system of regulating cotton purchases through Government nominees was introduced to ensure transactions of cotton within the ceilings fixed. A new committee—the Cotton Textiles and Cotton Control Committee—was appointed on 30 November to advise Government on the working of the cotton textile and cotton controls. Similar action to regulate raw jute purchases by mills was enforced by the promulgation, by the West Bengal Government, on 14 December, of the Raw Jute (Central Jute Board and Miscellaneous Provisions) Ordinance, 1950. The Ordinance (which was replaced by an Act on 21 March 1951) provided for the establishment of a Central Jute Board and banned the purchase or taking delivery, by any mill, of raw jute direct from any seller, dealer or baler except through the intervention of the Board. Following the Indo-Pakistan Trade Agreement and in view of the possibility of imported Pakistan jute being acquired at higher prices, the prices of raw jute and jute manufactures were decontrolled with effect from 9 March.

With an easing of the supply position, it was found possible to raise controls either wholly or partially on paper and petrol. The Paper Control (Production) Order, 1945, and the Paper (Prices of Imported Paper) Control Order, 1944, were withdrawn with effect from 1 May 1950, while the remaining controls on paper, namely, the Paper Control (Economy) Order, 1945, the Paper Control (Distribution) Order, 1944, the Paper Price Control Order, 1945, and the Paper Control (Prices of Board) Order, 1944, were lifted with effect from 25 June 1950. Control on newsprint, which had been abolished on 14 June 1949, was, however, reinstituted with effect from 1 January 1951. The rationing of petrol in certain areas was abolished from 1 July and in the whole of India, excepting the Uttar Pradesh, by 22 October.

The Government of India introduced in the Union Parliament in December 1950, the Forward Contracts (Regulation) Bill, 1950 (since referred to a Select Committee on 24 April 1951), which provides for the regulation of forward contracts and prohibits options in goods, including bullion. In view of the fact that this subject forms part of the Union List in the Constitution and as the Essential Supplies (Temporary Powers) Act, 1946 covers only 'essential commodities', Central legislation was deemed necessary*. Transactions on the Stock Exchange have been excluded from the scope of the Bill†.

The main principle underlying the regulatory provisions of the Bill is that forward contracts, other than non-transferable specific delivery contracts in goods, should be allowed to be entered only in accordance with the rules and bye-laws of an association recognised by Government. The rules and bye-laws of every recognised Association will be subject to the approval of the Central Government.

The proposed legislation provides for the creation of a Forward Markets Commission to assist the Central Government in the administration of the Act generally, to undertake a continuous study of the problems relating to forward markets, and to bring to the notice of the Central Government or any other prescribed authority, any important development together with its recommendations.

* When the Central Act comes into force the existing State Acts will cease to operate to the extent to which they are inconsistent with the Central Act. † A committee has since been appointed on 22 June 1951 to go into this aspect of the matter.

12. *Industrial Policy.*—The Government of India appointed on 30 November 1950 a Development Committee on Industries to assist in devising ways and means of stepping up industrial production and to plan the future development of industries. Panels have been constituted following the recommendation of the Committee for Heavy Engineering, Light Engineering, Chemicals, Pharmaceuticals, Ferrous Metals and Non-ferrous Metals industries. A Textile Development Committee was set up, at the same time, to suggest the norms of efficiency among workers and to recommend targets for the maximum output of cloth of suitable varieties. The Committee's work will be related to and co-ordinated with that of the working party on cotton textiles set up last year (*vide* para. 19 of the Report for 1949-50).

The concession granted earlier to new industrial undertakings of specified categories, which commenced production between 1 April 1948 and 31 March 1951, by way of exempting them from income-tax upto the assessment year 1953-54 on profits to a limit of 6 per cent having expired, Government announced on 31 January 1951 that they would consider favourably, on merits, the cases of those undertakings which could not avail of this concession due to delay in commencing production.

It was also decided that excepting for ordnance factories and similar undertakings, other industrial undertakings, financed wholly or predominantly by Government, would be converted into private companies under the Indian Companies Act or into statutory corporations or boards of management working directly under Government. With a view to formulating a co-ordinated policy and planning in respect of the management and development of the existing State-owned and State-aided undertakings in Hyderabad, Mysore and Travancore-Cochin States, the Government of India invited Shri Kasturbhai Lalbhai to examine the working of the State-owned and State-aided industrial undertakings in these States.

The principles governing repatriation of foreign capital were specified by Government on 2 June 1950 (*vide* para. 85).

India concluded an agreement with the United States on 28 December providing for technical assistance to India under the Point Four Programme. The allocation for India has been provisionally fixed at \$ 1·2 million out of a sum of \$ 11 million allocated for bilateral aid to all countries for the fiscal year ended 30 June 1951.

13. *Food Policy.*—The year 1950 opened with stocks with the States amounting to 1·58 million tons which were the largest for the last three years; the *kharif* harvest of the 1949-50 season was reported to be good and the prospects of *rabi* crops were considered satisfactory. In view of this improvement, it was decided to reduce, as noted in last year's Report, food imports to 1·5 million tons for the year 1950 as against 3·7 million tons in 1949, to intensify procurement in the surplus as well as deficit regions and to bring about an increase in the quantities offered by the surplus States and a reduction in the requirements of the deficit areas. As the year 1950 advanced, the food situation, however, began to cause concern as a result of serious damage to crops by a cold wave and hail storm in the north and north-western parts of the country, followed later in the year by an earthquake in Assam, extensive rains and floods in Bihar, eastern U.P., the Punjab, PEPSU, West Bengal and Orissa, and a failure of the north-east monsoon in Madras for the fourth year in succession. Both the *kharif* and *rabi* crops were badly affected, the overall damage to crops being estimated at about 5·5 million tons. The influx of refugees from

East Pakistan into West Bengal further strained the food situation, while scarcity conditions affected Rajasthan. As a result, the demand on the Union Government for food supplies increased, while procurement slowed down. It was decided in April 1950 to revise the import target upward. Efforts were made to expedite imports from all available quarters and total imports during the year 1950 amounted to 2·16 million tons as against the original target of 1·5 million tons. Procurement during 1950 was 4·63 million tons as against a target of 5·16 million tons. In addition to increased imports, stocks had to be drawn upon to the extent of about 8·35 lakh tons, the stocks at the close of the year 1950 declining to 7·46 lakh tons.

On the basis of a rationed population of about 125 million, it was estimated that the total off-take of foodgrains during 1951 would be about 9 million tons. Internal procurement was expected to be somewhere between 3 to 4 million tons, leaving a gap of about 5 to 6 million tons to be bridged by imports. In addition, the short-fall in stocks as at the end of the year of about 9 lakh tons had to be made good and reasonable reserves to be built up. Apart from revising the import target for 1951 upward to 4 million tons, an approach was made to the Government of the U.S.A. for an *ad hoc* assistance to the extent of 2 million tons of foodgrains. In response, the U.S. Government enacted on 15 June 1951 the India Emergency Food Aid Act of 1951 in terms of which India is granted a long-term loan of \$190 million for purchase, during the period ending June 1952, of 2 million tons of foodgrains in the U.S.A. Meanwhile, arrangements are being made to import foodgrains from Australia, Burma, Canada, China, Russia and other countries. The total imports for 1951 are placed at 5·5 million tons including one million tons out of the two million tons expected from the U.S.A. under the Food Aid Act.

As an emergency measure, the quantum of foodgrains ration was reduced from 12 ounces to 9 ounces in all States from 19 January 1951, the concession of the additional ration of 4 ounces in respect of the heavy manual workers having been retained. The basic ration of the heavy manual workers was, however, restored to 12 ounces on 19 February 1951. The food position grew critical towards the close of the year in some parts, particularly in Bihar and Madras. Efforts were made to relieve the situation in the affected areas by rushing large supplies of food, by opening ration shops and relief works, etc. ; signs of improvement were visible as the year ended.

Mention was made in last year's Report about the appointment of two committees, namely, the Foodgrains Procurement Committee and the Foodgrains Investigation Committee. Both committees submitted their reports during the year under review. The Foodgrains Procurement Committee recommended the introduction of a uniform system of monopoly procurement and rationing all over the country. The Foodgrains Investigation Committee recommended, among other things, issue of thoroughly cleaned and pure grains in the ration, provision of facilities to trade for construction of warehouses, reduction in the incidental charges and improvement in railway administration with a view to reducing losses in transit to a minimum.

14. *Labour Policy.*—The improvement in industrial relations noticed since the Industrial Truce Resolution of December 1947 was on the whole well maintained and the labour situation during the year under review continued to be satisfactory, a notable exception being the general strike in the textile industry in Bombay. Increasing attention was given during the year to problems arising out of rationalisation of industry, association of industrial labour with management, productivity

of labour and provision of amenities for workers including provident fund and housing. The textile strike lasted for over two months, from 14 August to 16 October 1950, involved more than 2 lakhs of workers and resulted in a loss of about 94 lakhs of man-days. Mainly due to the strike the total number of man-days lost during 1950-51 was 125·8 lakhs as compared with 58·6 lakhs in the preceding year. In November a Development Committee including representatives of labour was set up along with the Development Committee on Industries (*vide* para. 12) to look into problems affecting industrial relations.

In the field of labour legislation, the enactment in May 1950 of the Industrial Disputes (Appellate Tribunal) Act, 1950, was a major development. The Act, which will remain in force pending approval by Parliament of a more comprehensive Bill on the subject now before it, aims at co-ordinating the activities of Central and State Industrial Tribunals. Towards this end, the All-India Labour Appellate Tribunal was constituted in terms of the Act with benches at Calcutta and Bombay.

The introduction in Parliament, on 10 August 1950, of the Fair Wages Bill based on the report of the Committee on Fair Wages marks a further step in the direction of State regulation of wages. The machinery contemplated under the Bill for the fixation of fair wages consists of tripartite Wage Boards co-ordinated by an all-India Appellate Body.

The Minimum Wages (Amendment) Bill was passed on 17 April 1951 extending the time limit for the fixation of minimum wages in respect of industrial labour in specified establishments upto 31 March 1952 and in respect of the agricultural labour upto 31 December 1953.

15. *Planning and Development Policy.*—The Indian part of the six-year development programme envisaged under the Colombo Plan (submitted by the Government of India to the Commonwealth Consultative Committee in September 1950) covers developmental projects in agriculture, fuel and power, industry and mining, and social services. The expenditure to be spread over six years is estimated to involve a total outlay of Rs. 1,840 crores (*vide* para. 9).

The more important development schemes now in progress include major river valley projects, such as the Bhakra-Nangal Project, the Damodar Valley Project and the Hirakud Project. To this may be added the State industrial development schemes such as the Fertiliser Factory at Sindri, the Machine Tool Factory at Bangalore, the Penicillin and Paludrine Factory at Poona and the Dry Core Cable Factory at Chittaranjan. The capital outlay on these industrial schemes in the Central budget for 1951-52 is placed at Rs. 6·39 crores. In addition, the Centre has extended loans to private industries for development purposes as in the case of the ship-building and steel industries. The expenditure by the Centre on various schemes of development, including loans to private industries, is placed at Rs. 92 crores. These schemes, in spite of initial difficulties, delays and financial stringency, have made good progress.

During the postwar years, the Centre as well as the States have initiated several schemes of development, but progress has been hampered by the absence of adequate co-ordination and sufficiently precise information about the availability of resources. With the integration of the former Indian States and the emergence of new geographical and economic facts, a fresh assessment of the financial and other resources was called for. Meanwhile, the national economy has been working under the cumulative strain of factors such as inflationary pressures, payments difficulties, influx of several millions of displaced persons, deficiencies in food supplies and scarcity of raw materials.

The imperative need for comprehensive planning based on a careful appraisal of the available resource and an objective analysis of the economic issues involved led to the appointment of the Planning Commission, whose personnel and terms of reference were announced on 15 March 1950. The Commission was charged with the task of formulating a plan for the most effective and balanced utilisation of the country's resources, determine priorities and recommend the nature of the machinery for the successful implementation of the plan at each stage.

The Planning Commission was engaged during the year under review in drawing up a development plan*. Accordingly, the Central and the State Governments were requested by the Commission to prepare plans of development, in broad outline, for a period of five years ending 1955-56. The Plan to be prepared by the Planning Commission would cover a period of five years ; it may, however, be extended to the sixth year so as to correspond to the period of the Colombo Plan. It would embody the recommendations of the Commission on questions of national policy bearing on reorganization of the system of agriculture, development of cottage and small-scale industries, the future organization and set-up of industry, conservation of mineral resources, development of irrigation and power, the system of education, the extension of social services, improvements in public administration and machinery for the execution of plans at the Centre and in the States and public co-operation. The Plan would also present an integrated programme of development in the public sector extending both to the Centre and the States. The Commission held during the year a series of conferences with the representatives of several industries. To facilitate the Commission's task, a consultative body called the Planning Commission Advisory Board was set up on 18 May 1950 ; panels of experts were also constituted in respect of industry, trade and communications, food and agriculture, development of natural resources and employment and social services.

16. *Census*.—Decennial censuses of population in India have been taken since 1881. The first census of population in the Indian Union was conducted in February 1951 ; it included all Part A, Part B, Part C States and Part D territories of the Republic with the exception of Jammu and Kashmir (where, owing to the special circumstances prevailing, the census was not held) and Part B tribal areas of Assam. The provisional results indicate that the population of India was 356·89 million† of which 183·38 million were males. The Uttar Pradesh had a population of 63·25 million, Madras 56·95 million, Bihar 40·22 million, Bombay 35·94 million and West Bengal 24·79 million. The total number of displaced persons is provisionally placed at 7·48 million.

The increase of population over the 1941 figure of 314·83 million (relating to the territories covered in the 1951 census) was of the order of 13·4 per cent compared to a rise of 14·3 per cent in the previous decade (1931-41).

The latest census represents an effort to collect more comprehensive data, particularly relating to the socio-economic condition of the people, than in the earlier censuses.

17. *Report of the National Income Committee, 1951*.—The National Income Committee was appointed on 4 August 1949. The Committee was required to prepare a report on the National Income and related estimates, to suggest measures for

* A draft outline of the Plan has since been published.

† Together with other estimates of the population of Jammu and Kashmir and Part B tribal areas of Assam, the figure for the whole of India is estimated at 361·82 million.

improving the quality of the available data and for the collection of further essential statistics, and to recommend ways and means of promoting research in the field of national income. The object of the first report of the Committee, which was submitted on 15 April 1951, is mainly to furnish the Government with an estimate of the national income for 1948-49. The final report, giving an estimate for 1949-50 and dealing with other items in the terms of reference, is expected to be presented by the end of 1951 or early in 1952.

The national income (net national output at factor cost) of the Indian Union for 1948-49 is estimated at Rs. 8,710 crores* and the *per capita* national income, with an estimated population in 1948 of 341 million, at Rs. 255. The following Table shows the national income of the Indian Union according to its origin, industry-wise.

NATIONAL INCOME OF THE INDIAN UNION, 1948-49

By Industrial Origin

Item	Net output (Crores of Rupees)	Percentage	No. of persons engaged† (Lakhs)	Net output per engaged person (Thousands of Rupees)
<i>Agriculture</i>				
1. Agriculture, animal husbandry and ancillary activities§	4,070	46.7		
2. Forestry	60	0.7		
3. Fishery	20	0.2		
4. Total of agriculture	4,150	47.6	9.05	0.5
<i>Mining, Manufacturing and Hand-trades</i>				
5. Mining	60	0.7	38	1.7
6. Factory establishments	580	6.6		
7. Small enterprises	860	9.9		
8. Total of mining, manufacturing and hand-trades	1,500	17.2	1.87	0.8
<i>Commerce, Transport and Communication</i>				
9. Communications (post, telegraph and telephone)	30	0.3	12	
10. Railways	200	2.3		
11. Organized banking and insurance	50	0.6	95	
12. Other commerce and transport§§	1,420	16.3		
13. Total of commerce, transport and communications	1,700	19.5	1.07	1.6
<i>Other Services</i>				
14. Professions and liberal arts	320	3.7	50	0.6
15. Government services (administration)	460	5.3	36	1.3
16. Domestic services	150	1.7	42	0.4
17. House property	450	5.2		
18. Total of other services	1,380	15.9	1.28	
19. Net domestic product at factor cost	8,730		13.27	
20. Net earned income from abroad	(—)20			
21. Net national output at factor cost : national income	8,710	100.0		

§ These include processing, marketing and ancillary activities performed by the cultivator in respect of his own produce. §§ Include services of indigenous money-lenders. † Comprising principal earners including working dependants but excluding subsidiary workers.

* Net domestic product at factor cost is placed at Rs. 8,730 crores and net earned income from abroad at Rs. —20 crores.

The relative importance of agriculture (including forestry, fishery and animal husbandry) in the economy is indicated by the fact that this sector contributed Rs. 4,150 crores or 47·6 per cent of the national income in 1948-49. Commerce, transport and communications come next with Rs. 1,700 crores or 19·5 per cent, though a large part of commodity production does not enter into trade at all. Mining, manufacturing and hand-trades account for Rs. 1,500 crores or 17·2 per cent. Among "other services" which contribute Rs. 1,380 crores, Government services (administration) and house property account for Rs. 460 crores and Rs. 450 crores, respectively.

Small enterprises (largely household) account for a major share at Rs. 5,350 crores or 61·3 per cent of the net domestic product. Larger enterprises and unclassified items account for Rs. 1,050 crores and Rs. 2,330 crores, respectively.

The total working force by principal earners, including working dependants but omitting subsidiary workers, is estimated at 13,27 lakhs, of whom 9,05 lakhs were in agriculture. The average net domestic product per employed person is placed at Rs. 660 and ranges from Rs. 400 for domestic services to Rs. 1,900 in respect of railways and communications (*vide* Table on page 43).

Of a total net domestic output of Rs. 8,730 crores, the share of the private sector was Rs. 7,970 crores and that of Government enterprises and administration Rs. 760 crores. The Government acquired by way of taxes, miscellaneous fees etc. Rs. 690 crores or 7·9 per cent of private income and gross capital formation on Government account was Rs. 210 crores or 2·4 per cent of the national income.

Only 'fragmentary and dimensional' indications are available in isolated cases of the distribution of consumption expenditure over different types of goods and services. Consumer expenditure on food probably was Rs. 4,600 crores or 53 per cent of the national income, which is an indication of the low level of income of the bulk of the population. The estimates of national income and its distribution contained in the report of the Committee relate, of course, to a single year, namely, 1948-49 and throw no light on trends either in its aggregate or the components of the national income.

II. PRODUCTION AND PRICES

A. PRODUCTION

18. *Agriculture.*—(1) *Grow More Food Campaign.*—During the year 1949-50 (July-June) efforts were continued to increase food production under the Grow More Food campaign. About 1 million acres of land were reclaimed or brought under mechanical cultivation with the help of the Central Tractor Organization and State-owned tractors. The total of wells and tanks either newly constructed or repaired came, respectively, to 97,000 and 4,000. The minor irrigation projects completed and waterlifting appliances installed numbered 14,000 and 17,000, respectively. Assistance provided to agriculturists for intensive cultivation included supply of 1,56,000 tons of fertilisers, 1,46,000 tons of oil-cake, 4,000 tons of green manure seeds and 54,000 tons of improved cereal seeds. The additional production on account of the campaign is estimated at 7·9 lakh tons in 1948-49 and 9·5 lakh tons

in 1949-50 making a total of 17·4 lakh tons as against the target of 18·7 lakh tons for the two years. The total expenditure sanctioned for the prosecution of the Grow More Food campaign from the Central budget during 1949-50 amounted to Rs. 10·03 crores.

Reference was made in last year's Report to the efforts made for increasing the production of raw cotton and raw jute side by side with the Grow More Food campaign. With a view to bringing about better co-ordination in these three production drives, it was decided during August 1950 to merge the Grow More Food campaign into an Integrated Production Programme. The target for additional production of foodgrains for 1950-51 has been fixed at 1·7 million tons. A sum of Rs. 23·34 crores has been sanctioned from the Central budget for this purpose. In addition to this grant, a part of the Food Procurement Bonus funds payable by the Centre to the State Governments would be utilised for this purpose. Recently, the Grow More Food campaign policy has undergone a re-orientation. With a view to ensuring better returns, it is proposed to concentrate the Grow More Food schemes in compact areas with assured water supply, and to link additional production with procurement by stipulating that financial assistance will be given to cultivators on condition that they give about 60 per cent of the additional production to Government under procurement. For the development of large contiguous areas falling under the jurisdiction of more than one State, it is proposed to set up special development boards, which would bring about effective co-ordination between the Union and the State Governments.

(2) *Agricultural Production.*—Foodgrains production in 1949-50 (July to June) increased by 1·29 million tons to 45·55 million tons (*vide* Statement 11), in spite of the damage caused to the *kharif* and *rabi* crops by adverse seasonal conditions and natural calamities, particularly in Madras, Assam, Bihar, Orissa and Bombay. The output of wheat, jowar, bajra and maize showed perceptible increase, and the output of rice, barley and ragi remained more or less stationary. The output of gram declined. The production of raw sugar rose to 4·94 million tons in 1949-50 from 4·87 million tons in 1948-49, and of coffee to 17,238 tons from 15,584 tons. During the 1950-51 season, the outturn of the *kharif* and *rabi* crops suffered, to a considerable extent, as a result of a series of natural calamities (*vide* para. 13). The loss of foodgrains is estimated at about 5·5 million tons.

(3) *Production of Industrial Raw Materials.*—Reference was made in last year's Report to the growing difficulties in obtaining adequate supplies of raw cotton and raw jute, particularly after the Partition and the efforts made to expand the production of these commodities. During the 1950-51 season, these efforts were continued. Legislative and executive restrictions on the cultivation of essential raw materials were removed and provision was made to supply seeds and fertilisers at subsidised rates to cultivators. The Union Government agreed to meet the deficit in respect of foodgrains that may arise from a diversion of land under food crops to cotton and jute by additional allocations of foodgrains to the States concerned. For encouraging the agriculturists to undertake cotton cultivation, a special concession in the form of remission of land revenue in respect of additional lands brought under cotton cultivation was announced and irrigational facilities available for food crops were extended to land under cotton by the State Governments. In order to provide additional incentive to the cotton growers, the ceiling price of *Jarilla* cotton was raised from Rs. 620 to Rs. 770 per candy or by about 24 per cent

with a corresponding upward revision in prices of other varieties. As a result of these measures, an additional cotton production of about 4 lakh bales has been estimated, bringing the total production during 1950-51 to 33 lakh bales as against 29.7 lakh bales in 1949-50 (*vide* Statement 12).

Steps taken during the year in pursuance of the three-year scheme for an expansion of raw jute production included reclamation of fallow lands, diversion of area from *aus* paddy, double cropping of *aman* paddy lands by cultivation of jute as an earlier additional crop and adoption of plant protection measures. The actual increase in production, as a result of these measures, is estimated at about 2 lakh bales raising the total production in 1950-51 to 32.92 lakh bales as against 30.89 lakh bales in 1949-50. The target for the 1951-52 season has been fixed at about 46 lakh bales.

Production of the five major oilseeds (groundnut, linseed, castorseed, sesamum and rape and mustard) rose from 4.5 million tons in 1948-49 to 5.1 million tons in 1949-50 or by about 13.3 per cent. This was due mainly to an increase in the area under groundnut, castorseed, rape and mustard, and the high prices of oilseeds which are not subject to control.

Production of lac declined from 11,60,550 maunds in 1949-50 to 9,26,350 maunds in 1950-51 due mainly to the failure of the Jethwi (Kusmi) crop.

19. *Industry*.—The rising trend in industrial production since 1948 was on the whole well maintained during 1950, with most of the industries recording appreciable increases. The cotton and jute textiles and sugar industries were notable exceptions which recorded declines. The general index of industrial production (*base* : 1946=100) for 1950 stood at 105.2 as compared with 106.3 in the preceding year and 108.9 in 1948.

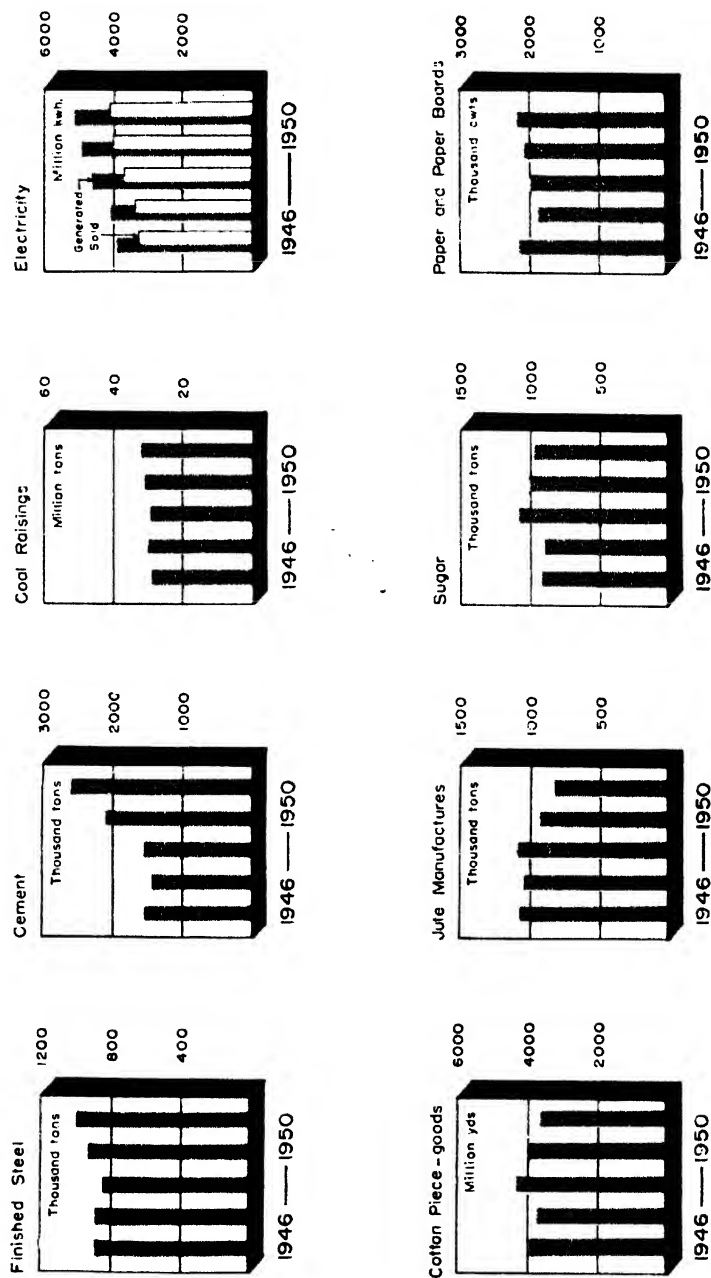
The increase during 1950 in the output of cement, steel, salt, diesel engines and electrical goods industries was particularly marked. The output of cement rose by 23.8 per cent to 2.6 million tons and of finished steel by 8.1 per cent to 1.0 million tons (*vide* Statement 13 and Graph 6). Coal raisings during 1950 rose to a record figure of 32.0 million tons, showing an increase of 1.6 per cent over the previous year's figure of 31.5 million tons. Other industries which showed increases included paper and paper boards, chemicals, power alcohol, power transformers and refractories.

The improvement in production in the industries cited above was due to, among other factors, the installation of additional production units or the expansion of the existing units, the generally harmonious industry-labour relations, and an improvement in the transport situation noticed since 1949, which was, on the whole, well maintained.

On the other hand, production declined in cotton textiles, jute manufactures and sugar. The output of cloth and yarn dropped from 3,904 million yards and 1,359 million pounds, respectively, in 1949, to 3,665 million yards and 1,174 million pounds in 1950, *i.e.*, by 6.1 per cent and 13.6 per cent, respectively. The output of jute manufactures showed a decline of 11.6 per cent from 946,000 tons in 1949 to 836,000 tons in 1950. The production of sugar during the year ended 31 October 1950 was lower by 2.0 per cent at 9.8 lakh tons compared with the preceding season's

GRAPH 6

INDUSTRIAL PRODUCTION IN INDIA



output of 10·0 lakh tons. Scarcity of raw materials has been the chief factor impeding production in these three industries. The shortage of raw jute and raw cotton resulted from a virtual cessation of imports from Pakistan in the post-devaluation period; the inadequacy of raw material supply led to the closure of some mills. The fall in cotton textile production was aggravated by the strike of the Bombay textile workers in the third quarter of 1950, the loss on this score being estimated at 203 million yards of cloth. Supplies of raw jute received from Pakistan under the trade agreement of April 1950 were not sufficient to meet the demands of the industry and consequently mills had to continue to work reduced hours throughout the year. In the case of sugar, the competing demands of *gur* and *khandsari*, the prices of which were uncontrolled affected the supply of cane to the mills.

With a view to assisting industry, efforts were made by Government to secure larger imports of raw materials and to arrange for an equitable distribution of the available supplies of raw materials among the mills. Upward revisions were permitted in the prices of certain products to meet the higher costs of raw materials and equipment, while controls, as in case of sugar, were relaxed. On 16 June 1950 Government announced their decision to create a machinery for the collective purchase of cotton and to maintain prices at reasonable levels subject to the prescribed ceiling. A Cotton Advisory Board was set up, on 17 October, to advise the Textile Commissioner in the allocation of cotton to mills and to ensure that mills effected the purchase of cotton only in the manner prescribed by Government.

In the case of raw jute, to eliminate competitive buying by mills, a new purchase, pooling and distributing machinery, namely, the Central Jute Disposals Section, was set up in August 1950, under the auspices of the Indian Jute Mills Association. The Government of West Bengal, by an Ordinance dated 14 December 1950 (*vide* para. 11), announced the creation of a Central Jute Board through which all purchases of raw jute by mills were to be canalised. The raw materials position tended to ease somewhat with the resumption of Indo-Pakistan trade in terms of the Indo-Pakistan Trade Agreement, which provided for an import of 35 lakh bales during the period 26 February 1951 to 30 June 1952.

B. PRICES

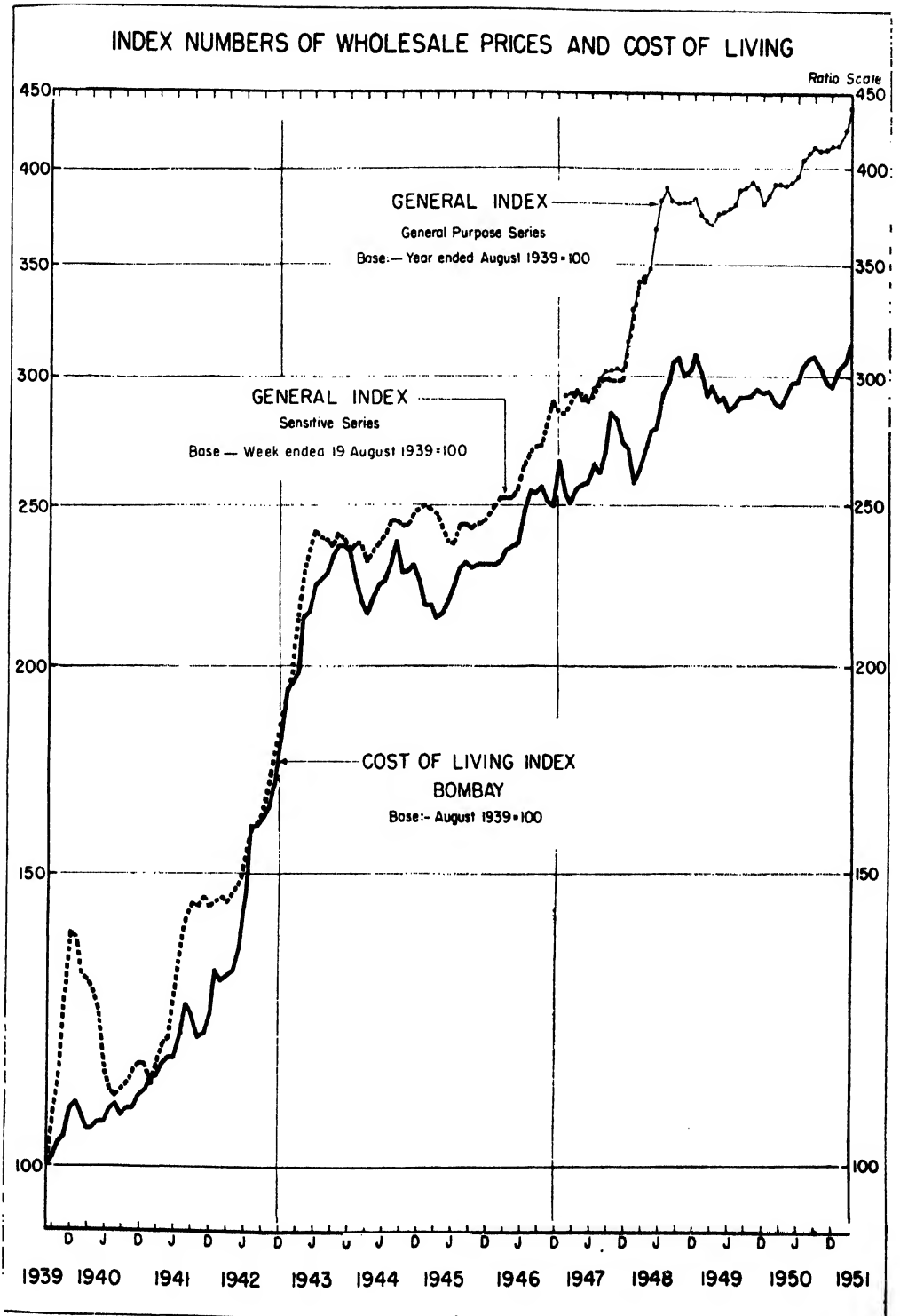
20. *Price Trends.*—The uptrend in the general price level noticed during the closing quarter of 1949-50 gathered further momentum during 1950-51 particularly during the latter half of the year (*vide* Statements 14 and 15 and Graphs 7 and 8). The continuation of the gradual rise in prices since devaluation was accelerated with the outbreak of the Korean War; prices tended to steady between September and December, but thereafter the uptrend continued and prices reached a peak of 438·6 in March 1951 as against 392·4 in March 1950, thus recording a rise of 11·8 per cent during 1950-51 as against a rise of 6·0 per cent in 1949-50. The rise in the Indian price level during the year under review was less marked than in many other foreign countries, the increase in the U. K. being 27·4 per cent, in the U.S.A. 20·3 per cent and in Australia 29·5 per cent.

During the first quarter, the gradual rise since devaluation continued. The Economic Adviser's general index of wholesale prices (*base*: year ended August 1939=100) which had moved up from 389·0 in August 1949 (pre-devaluation) to 392·4 by March 1950, rose further to 395·6 in June 1950, thus recording a total

rise of 1·7 per cent since devaluation and 0·8 per cent over March 1950. In the period April-June 1950, 'food articles' rose by 1·7 per cent from 396·2 to 402·8, while the 'miscellaneous' group rose from 630·6 to 692·0—a rise of 9·7 per cent.

The outbreak of the Korean War gave rise to a sudden spurt of speculative and hoarding activity. The Economic Adviser's general index rose by about 10 points from 395·6 in June to 405·2 in July. To meet the situation, the Finance Minister enunciated in Parliament in August an eight-point programme outlining the major objectives of Government's economic and financial policy, which envisaged measures to hold the price line and to ensure, through increased production, economies and larger supplies, that the inflationary pressures did not get out of hand. In pursuance of these objectives, steps were taken to relax import controls and prevent hoarding of foodgrains through the amendment of the Essential Supplies (Temporary Powers) Act, 1946. Mainly with a view to evolving a uniform policy for the whole country in regard to production, distribution and regulation of prices, the Centre assumed powers to legislate for a period of one year from 15 August 1950 (since extended by another year) on two subjects falling in the State List, namely, (1) trade and commerce and (2) production, supply and distribution of goods. Accordingly, the Supply and Prices of Goods Ordinance, 1950, was promulgated in September providing for the control of the supply, distribution and prices of certain commodities. As an anti-inflation measure and in view of the wide disparity between the internal and external prices, fresh export duties on certain commodities were levied or the rates of existing duties were enhanced as in the case of hessian, sacking, raw cotton, cotton waste and raw wool. These measures had in part a steadying effect on the general trend of prices, the months of October and November registering a decline. The general index which had risen to 412·5 by September fell to 410·9 in November, but thereafter resumed its uptrend which became pronounced following the Chinese intervention in the Korean War and touched a peak of 438·6 in March 1951. The prolongation of the war in Korea, rising import prices, heavy export commitments and higher prices granted by Government in a number of controlled commodities like sugar, sugarcane, gur, foodgrains, cotton textiles and rubber, contributed to the uptrend in prices; it also embodied the result of the decontrol of prices of raw jute and jute manufactures on 9 March. In December 1950 Government granted increases in the prices of sugarcane and sugar from Rs. 1-10 and Rs. 28-8 per maund, respectively, (fixed earlier in October at the same rates as those prevailing last year) to Rs. 1-12 and Rs. 29-12 per maund, respectively. Gur prices were also raised. The pool price of imported foodgrains was raised in January due to a rise in prices abroad and higher freight charges. The rise in import prices of raw cotton and the grant of an increase of Rs. 150 per candy for indigenous cotton for the 1950-51 cotton season (announced on 16 June 1950) led, some months later, to higher cotton textile prices being granted. During the quarter January to March 1951, the prices of coarse, medium, fine and superfine cloth were revised upwards, the increases ranging between 6 per cent in the case of superfine and 17½ per cent in the case of coarse varieties. The voluntary cut of 4 per cent on yarn accepted by the textile industry was restored with effect from 5 March. An interim increase in the price of raw rubber (Group I) from Rs. 90-8 to Rs. 122-8 per 100 lbs. was granted with effect from 7 March. The removal of price control on raw jute and jute manufactures on 9 March, as a sequel to the Indo-Pakistan Trade Agreement of 25 February, resulted in a rapid rise in their prices. The index for raw jute, which stood at 479 for the week ended 3 March, shot upto 1026 for the week ended 31 March and the index for jute manufactures rose from 561 to 1052 during the same period.

GRAPH 7

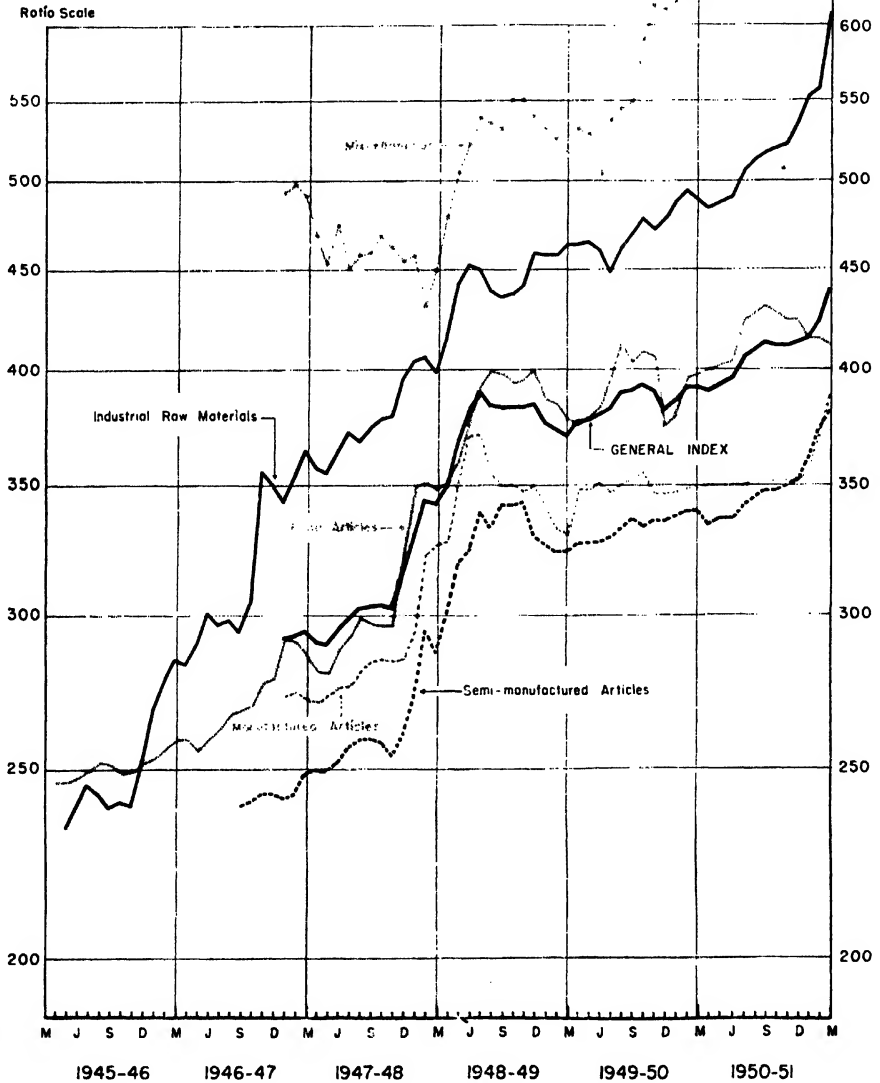


GRAPH 8

INDEX NUMBERS OF WHOLESALE PRICES

GENERAL PURPOSE SERIES

Base - Year ended August 1939=100



The increased difficulties in securing imports as a result of stockpiling and defence needs abroad, and the enhanced demand for India's export commodities resulted in acute shortages of goods and in rising prices of import and export goods. The wholesale price index of export commodities, *e. g.*, oilseeds, black pepper, raw hides, leather and raw wool, showed large increases; between June 1950 and March 1951, oilseeds rose from 652 to 716, black pepper from 3030 to 3342, leather from 334 to 553, and hides raw and raw wool from 358 and 591 to 701 and 931, respectively.

The Economic Adviser's general index of wholesale prices reached a peak of 438.6 in March 1951 or a rise of 10.9 per cent since the outbreak of the Korean War in June. Among the component groups 'industrial raw materials' rose, during the same interval, by 24.1 per cent, semi-manufactures by 13.7 per cent, 'manufactures' by 11.4 per cent, 'miscellaneous' by 8.9 per cent and 'food articles' by 2.3 per cent.

Statement 15 (A) compares the group indices as in March 1951 with the corresponding indices in August 1949 (pre-devaluation), March 1950, June 1950 (pre-Korean) and December 1950. In March 1951, the general index was above the pre-devaluation level (389.0) by 12.8 per cent, and relatively to the level at the close of the preceding year the net increase in the general index was 11.8 per cent. The largest rise during the year (24.2 per cent) was in 'industrial raw materials', while the remaining groups, namely, 'semi-manufactures', 'manufactures', 'food articles' and 'miscellaneous' rose by 12.8 per cent, 11.5 per cent, 4.0 per cent and 19.5 per cent, respectively.

III. MONEY SUPPLY

21. *Money Supply*.—Money supply is defined as the total of (1) legal tender currency with the public (*i.e.*, notes and coin in circulation *minus* notes and coin held in Government Treasuries, *minus* notes and coin held by scheduled, non-scheduled and co-operative banks), and (2) demand liabilities of scheduled, non-scheduled and co-operative banks, *minus* inter-bank demand deposits* of scheduled banks *plus* deposits with the Reserve Bank of India excluding those of the Central Government and banks but including 'other Government deposits' and 'other deposits'. Under 'other deposits' with the Reserve Bank, the balance held on No. 1 Account of the International Monetary Fund has been excluded from money supply, since it is not being directly used as current means of payment. The Central Government's holdings of currency and deposits have been excluded from money supply, since Government sometimes use changes in their cash balances as instruments of monetary policy and since Government cannot be expected to be influenced in their expenditure by the size of their cash balances in the same way as individuals or business or State Governments. Money supply as defined above covers all forms of exchange media held by the public, *i.e.*, by all entities other than banks and the Central Government.

Statement 16 gives figures of money supply with the public (excluding small coin) in undivided India for the period 1938-39 to 1947-48 as on the last

* As the figures in respect of inter-bank demand deposits are available only from July 1948, these have been taken into account in computing money supply for the years 1949-50 and 1950-51 only.

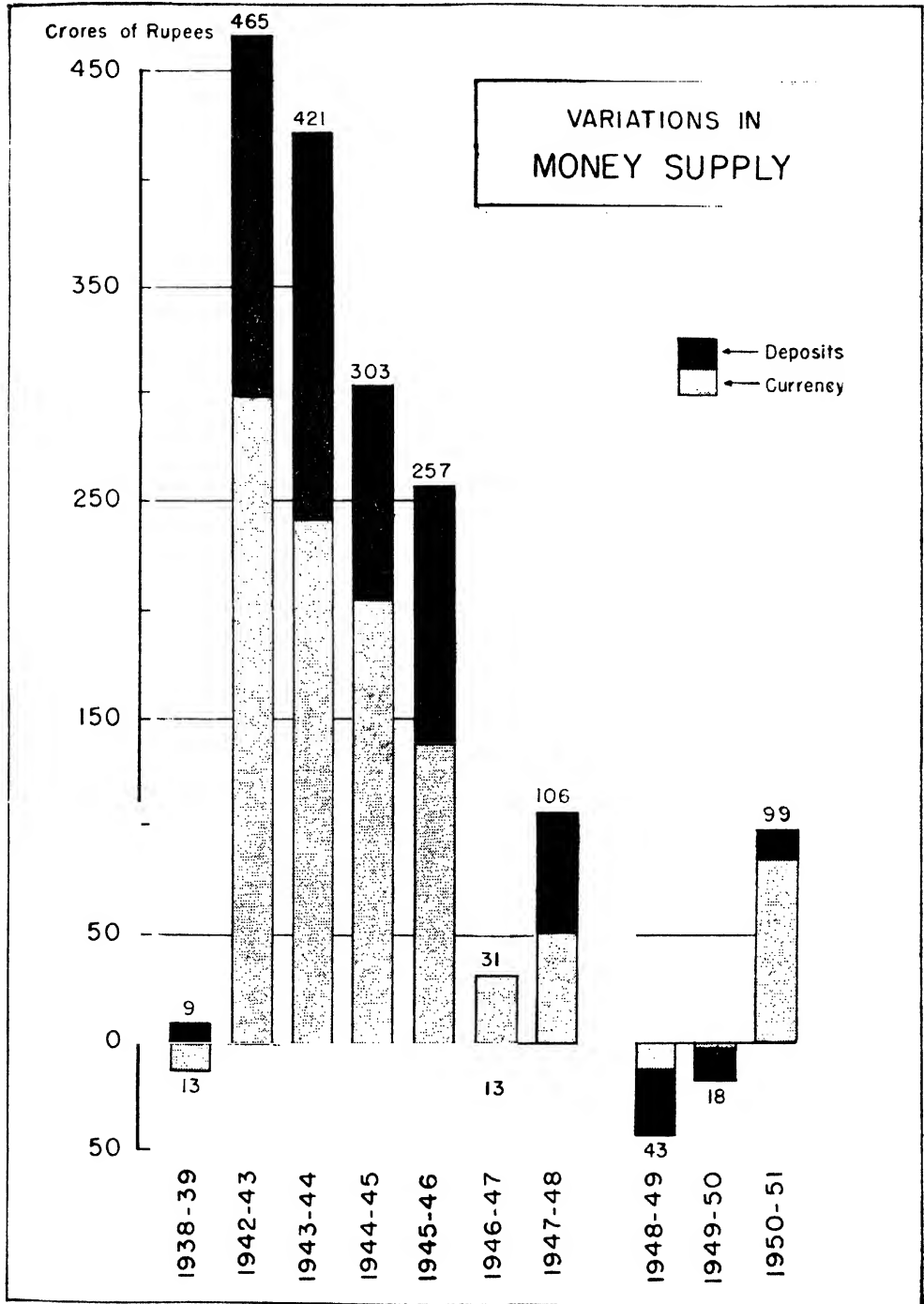
Friday of each year. For the years 1938-39 to 1941-42 (*vide* item 13), only *variations* in money supply are shown in the absence of figures of circulation of rupee coin. For subsequent years upto 1947-48 (*vide* item 12), *absolute* figures of money supply, including the circulation of rupee coin, are given. For the years 1948-49 to 1950-51, only *variations* in money supply are given. (*vide* Statement 16 (A)), pending determination of the final figures of India notes and rupee coin in circulation in Pakistan (*vide* para. 25).

During 1950-51 money supply with the public showed a pronounced rise of Rs. 99·2 crores, in contrast to a decline of Rs. 18·4 crores in 1949-50 and of Rs. 43·3 crores in 1948-49 (*vide* Statement 16 (A) and Graph 9). Of the rise of Rs. 99·2 crores during the year, Rs. 83·7 crores (or 84 per cent) was accounted for by currency with the public and the balance of Rs. 15·5 crores by deposit money. Deposit money had shown a fall in 1949-50 and 1948-49, accounting for almost the entire decline in money supply in the former year and nearly three-fourths in the latter.

The trends in money supply during 1950-51 (*vide* Statement 16 (A)) permit of division into three phases : *first*, a continuation of the 1949-50 busy season uptrend during the first month of the year, namely, April 1950 ; *second*, a continuous fall during the slack season period May to September and *third*, a sharp rise during the busy season months of October 1950 to March 1951. Money supply with the public showed a rise of Rs. 6·1 crores during April 1950, thus bringing the total busy season increase in money supply since December 1949 (when the seasonal uptrend for 1949-50 had commenced) to Rs. 116·2 crores. The uptrend was, however, reversed in May and money supply showed a fall during the succeeding four months, reflecting mainly the impact of the slack season. The contraction in money supply during the slack season May-September 1950 was, however, of a relatively smaller magnitude compared to that witnessed during the preceding slack season. The decline from May to September 1950 amounted to Rs. 95·8 crores as against a contraction of Rs. 119·6 crores in the corresponding months of 1949. The fall of Rs. 95·8 crores was principally in respect of currency with the public, which went down by Rs. 91·3 crores, while deposit money showed a smaller decline of only Rs. 4·5 crores. The latter half of the year, comprising the busy season months of October 1950 to March 1951, saw a steep rise in money supply amounting to Rs. 188·8 crores, the bulk of which occurred during the last four months, namely, December to March. About 83 per cent of this rise was accounted for by currency with the public, which expanded by Rs. 157·5 crores, while deposit money with the public showed a rise of Rs. 31·3 crores. In the corresponding busy season months of 1949-50, money supply had expanded by Rs. 102·8 crores, of which Rs. 91·3 crores was accounted for by currency and Rs. 11·5 crores by deposit money.

During 1950-51, a significant primary source of monetary expansion was the substantial payments surplus, which was reflected in a net accrual of sterling of Rs. 37·6 crores to the Reserve Bank of India. In the preceding year 1949-50, when money supply had fallen by Rs. 18·4 crores, the Reserve Bank's holdings of foreign assets had shown a net decline of Rs. 73·4 crores. It is noteworthy that, unlike in the previous year, there were no additions to money supply in 1950-51 on account of Government drawings on their balances, which, in fact, went up by Rs. 32·8 crores as against a fall of Rs. 54·7 crores in 1949-50. The main factors contributing to the rise in money supply during the year would appear to be the unusually

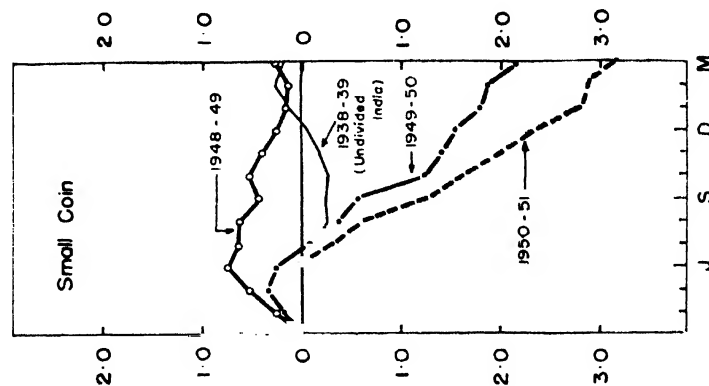
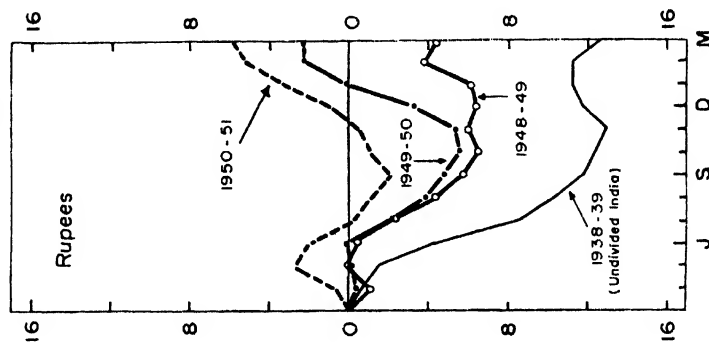
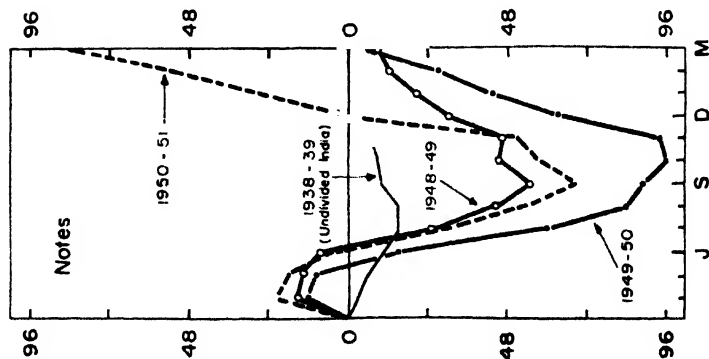
GRAPH 9



ABSORPTION OR RETURN OF NOTES, RUPEES & SMALL COIN

INDIAN UNION

Crores of Rupees



large seasonal expansion of bank credit amounting to Rs. 141·5 crores beginning from December 1950 upto March 1951 as against Rs. 67·0 crores in the corresponding period of the previous year, and the large (net) addition to rupee securities held by the Reserve Bank amounting to Rs. 64·5 crores during the period October 1950 to March 1951, as against a net addition of only Rs. 6·3 crores in the corresponding period of 1949-50. Reserve Bank's loans to Governments and 'Others' also rose by Rs. 13·3 crores during the period October 1950 to March 1951. Over the year 1950-51, the general index of wholesale prices rose by 11·8 per cent as against a rise of 6·0 per cent in 1949-50.

22. *Trends in Notes in Circulation and Demand Deposits.*—Statement 17 gives the seasonal trends in notes in circulation and scheduled banks' demand liabilities for undivided India from 1935-36 to 1947-48 and for the Indian Union from 1948-49 to 1950-51.

In prewar years, broadly speaking, the two principal constituents of money supply, namely, notes in circulation and demand deposits, tended to move in opposite directions in the busy and slack seasons ; notes in circulation fell and deposits rose in the slack season, while in the busy season note circulation rose and deposits fell. During war years, these trends were submerged in the continued inflationary expansion of money.

With the termination of the war, the normal seasonal trends in note circulation re-emerged, while the trends in demand deposits showed some departures from the usual pattern. Thus in the years 1948-49 and 1949-50, deposits showed net declines both in the slack and busy seasons, the unseasonal contraction in the slack seasons probably reflecting drafts on deposits to meet the import surpluses of the pre-devaluation period.

During the slack season of 1950-51, notes in circulation fell by Rs. 99·76 crores and deposits rose by Rs. 12·93 crores. In the busy season, however, while note circulation went up by Rs. 206·88 crores, demand deposits registered a further net rise of Rs. 8·75 crores.

23. *Total Absorption of Currency.*—Statement 18 gives the annual absorption of the three forms of legal tender currency, namely, notes, rupee coin and small coin, in undivided India, during each of the years 1914-15 to 1947-48 and, in the Indian Union, for the years 1948-49 to 1950-51. Statement 19 gives the corresponding figures for the Indian Union on a monthly basis for the years 1949-50 and 1950-51.

During the war and postwar years upto 1947-48, there was continuous absorption of currency, the total amounting to Rs. 1,363 crores (undivided India), comprising Rs. 1,144 crores of notes, Rs. 139 crores of rupee coin and Rs. 81 crores of subsidiary coin. This was followed by two years of contraction during 1948-49 and 1949-50, when Rs. 17·62 crores of legal tender currency were returned from circulation in the Indian Union. During the year under review, however, a renewed sharp expansion of Rs. 86·51 crores in the Indian Union took place, this being the highest absorption of currency in any of the postwar years. This gives a net absorption in the Indian Union of Rs. 68·89 crores during the three years 1948-49 to 1950-51. As against this trend, it is interesting to note that, following a total absorption of Rs. 254·46 crores in the quinquennium ended 1919-20, there was a continuous return of currency of Rs. 38·65 crores during the period 1920-21 to 1922-23.

Graph 10 shows absorption or return, in the Indian Union, during the three years 1948-49 to 1950-51, of (1) notes, (2) rupees and (3) small coin. Graph 11 depicts the absorption or return, month by month, of notes, rupees and small coin separately since 1946-47.

24. *Seasonal Absorption and Return of Currency.*—Statement 20 shows the seasonal absorption and return of currency since 1920-21 upto 1947-48 for undivided India, and during 1948-49 to 1950-51 for the Indian Union, while Graph 12 depicts the trends since 1935-36. They indicate the seasonal variations in the currency circulation, its volume growing in the busy season and contracting in the slack season. The commencement or the duration of the busy season normally varies in different parts of the country, depending on the harvesting of the region's principal crops, while the tempo of the seasonal expansion or contraction may be intensified or moderated by other factors such as developments in the balance of payments position and Government's budgetary and other economic policies. In the prewar years, broadly speaking, the busy season, with its absorption of currency, usually began in August, September or October—mostly in September—and ended with December, January or February, with an average duration of five to six months; the slack season, when currency returns, began usually in January, February or March and extended upto July, August or September, the average duration being six or seven months. In the postwar years, however, a tendency has been noticed for the busy season to prolong upto the end of April or even the middle of May, as during the years 1947-48 to 1950-51, thus extending its duration to seven or eight months and making the slack season of a comparatively shorter duration of four or five months.

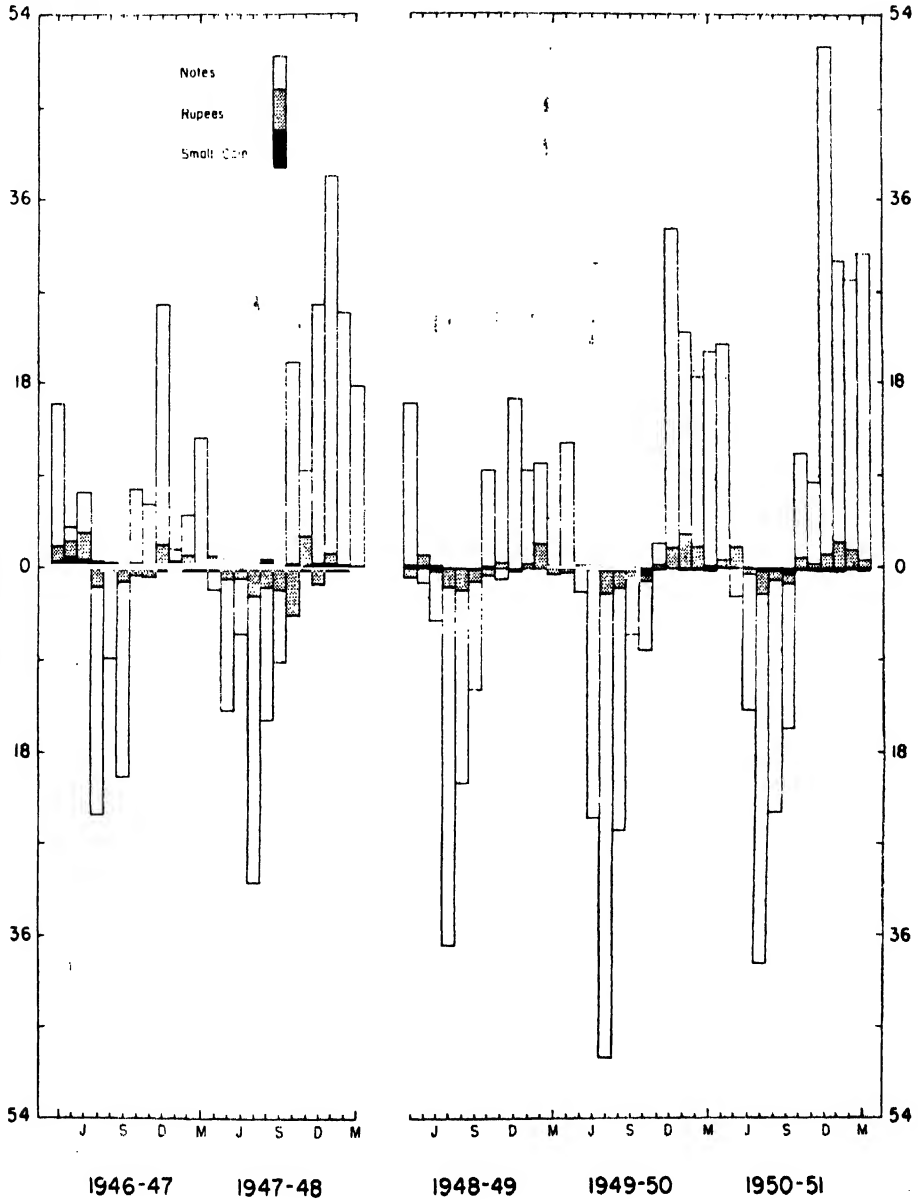
During war years, the tide of currency expansion resulting from steadily growing governmental outlays largely submerged the usual seasonal ebb and flow of currency. With the termination of the war, the rate of currency expansion slackened appreciably, and the seasonal pattern became increasingly evident in a process of adjustment to normal conditions, with the seasonal trends reasserting themselves by 1947-48. Other factors have also influenced the amplitude of seasonal fluctuations in the postwar years. The large absorption of notes of Rs. 130·77 crores during the busy season of 1947-48 (October to March) partially reflected also the effect of governmental deficit financing, particularly after the Partition and the policy of progressive decontrol adopted in December 1947. The return of notes of Rs. 124·86 crores (*vide* Table on page 53) during the slack season of 1949-50 (mid-May to October-end 1949), which is the largest seasonal contraction on record, was due, in part, to the heavy payments deficits in that period. Owing partly to the difficulties, which arose in regard to the trade with Pakistan following devaluation, the busy season of 1949-50 began later than usual, i.e., in November 1949 and continued upto mid-May 1950, the total absorption of notes during the period being Rs. 122·06 crores; this comparatively large absorption also reflected, in addition to the seasonal demand, the effect of export surpluses leading to the sizable accruals of sterling to the Reserve Bank, which followed the devaluation of the Indian rupee in September 1949.

During 1950-51 the slack season lasted from mid-May to September-end; the net contraction in notes in circulation over the period at Rs. 99·76 crores was appreciably lower as compared with the absorption in the preceding busy season. Also, the seasonal fall in bank credit, amounting to Rs. 62·00 crores, during the period, was somewhat smaller than the expansion in the busy season immediately

GRAPH 11

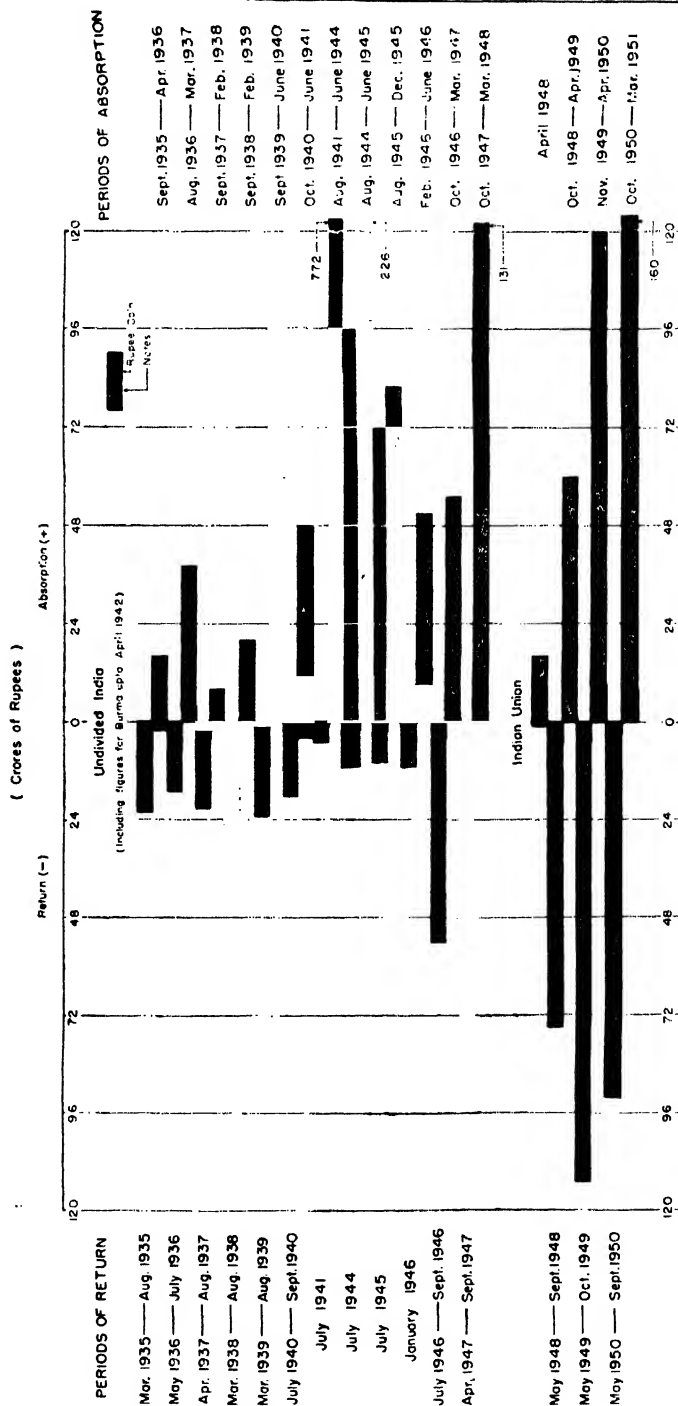
MONTHLY ABSORPTION OR RETURN OF CURRENCY

Crores of Rupees



GRAPH 12

SEASONAL ABSORPTION AND RETURN OF NOTES AND RUPEE COIN



preceding. The contraction in the slack season of 1950-51 was accompanied by a net loss of sterling to the Reserve Bank of India following the emergence of a short-lived import surplus, sales of securities by the Bank and by a net inflow of funds on Government account reflected in accretions to the Central Government's balances with the Reserve Bank. The busy season uptrend commenced with the beginning of October 1950 and was prolonged beyond the end of the financial year ; it lasted as in the case of the preceding busy seasons upto about the middle of May. This prolongation of the busy season is partly attributable to the resumption of trade with Pakistan late in the season in terms of the Indo-Pakistan Trade Agreement of 25 February 1951. During the period from 29 September 1950 to 11 May 1951, notes in circulation rose substantially by Rs. 206·88 crores to Rs. 1,302 crores, as against a rise of Rs. 122·06 crores in the preceding busy season. This seasonal expansion is the largest on record for peacetime conditions and compares with the war-time absorption of Rs. 215·01 crores in respect of undivided India noticed in the busy season period August 1944 to June 1945. The busy season witnessed an unprecedented expansion in scheduled bank credit amounting to Rs. 180·29 crores during the period from 24 November 1950 to 11 May 1951. The exceptionally heavy incidence of the busy season was attributable to the need to finance trade and movement of commodities at rising prices, to the continued high level of exports as well as to a degree of speculative holding of commodities. The busy season expansion in currency was also accompanied by a sizable increase in the Reserve Bank's rupee investment portfolio. The Table below gives the seasonal expansion or contraction of notes in circulation as well as the variations in the principal allied data since the slack season of 1948-49.

SEASONAL VARIATIONS IN PRINCIPAL MONETARY DATA

(Crores of Rupees)

	Slack Season	Busy Season	Slack Season	Busy Season	Slack Season	Busy Season
	30 April 1948 to 24 Sept. 1948	24 Sept. 1948 to 15 May 1949	13 May 1949 to 28 Oct. 1949	28 Oct. 1949 to 12 May 1950	12 May 1950 to 29 Sept. 1950	29 Sept. 1950 to 11 May 1951
1. Notes in circulation . .	- 70·43	+ 75·58	- 124·86	+ 122·06	- 99·76	+ 206·88
2. Foreign Assets* held by the Reserve Bank . .	- 31·42	- 155·60	- 88·40	+ 61·51	- 31·19	+ 73·96
3. Rupee Securities* held by the Reserve Bank . .	- 19·83	+ 109·39	- 13·59	+ 8·58	- 10·68	+ 82·56
4. Central Government Deposits with the Reserve Bank	- 28·90	- 84·76	+ 5·76	- 17·14	+ 30·46	- 30·99
5. Scheduled Banks' data						
(a) Demand Liabilities (excluding inter- bank borrowings)	- 3·83**	- 90·30	+ 8·04	- 14·75	+ 17·37	+ 0·86
(b) Time Liabilities (excluding inter- bank borrowings)	- 6·68**	- 22·85	- 16·35	+ 5·26	+ 2·45	+ 20·24
(c) Total of (a) and (b)	- 10·51**	- 113·15	- 8·31	- 9·47	+ 19·82	+ 21·10
(d) Advances and Bills discounted	- 51·94	+ 103·22	- 101·49	+ 70·39	- 62·00	+ 172·64
6. Wholesale Prices† (Per- centage variation during the period)	+ 8·3	- 1·6	+ 4·6	- 0·3	+ 5·2	+ 10·5

* After making adjustments in respect of extraordinary transactions. ** Including figures for inter-bank borrowings. † Economic Adviser's General Index of Wholesale Prices (Base : Year-ended August 1939=100).

25. *Circulation and Absorption of Notes.*—Statement 21 shows the year-end figures and annual averages of total notes issued and in circulation (excluding Government of India one rupee notes first issued in July 1940, which are classed as 'rupee coin') for the quinquennium ended 1913-14 and for every year thereafter. India notes and Burma notes are shown separately for the years 1937-38 to 1941-42. The figures since 1942-43 relate to India notes only, the Bank having been relieved of its liabilities in respect of Burma notes from June 1942. For the post-partition years 1948-49 to 1950-51, it is not possible to have figures of notes in circulation in the Indian Union, as the total amount of India notes, which were in circulation in Pakistan on 31 March 1948 (when India notes in circulation in Pakistan began to be withdrawn with the issue by the Bank on 1 April 1948 of inscribed Pakistan notes), has not, so far, been finally determined. The figures shown against these three years in Statement 21 are, however, net of adjustments* made upto the close of February 1949 on account of India notes retired from circulation in Pakistan since April 1948.

In contrast to the declines, respectively, of Rs. 7·84 crores and Rs. 5·84 crores noticed in the preceding two years 1948-49 and 1949-50, notes in circulation registered a sharp expansion of Rs. 83·89 crores during the year under review. The rise in notes in circulation during 1950-51 is the largest during any year since 1945-46, and was the net result of (1) an absorption of Rs. 21·07 crores in April 1950, (2) a return of Rs. 89·00 crores during the slack season months, May to September 1950 and (3) an absorption of Rs. 151·82 crores during the busy season months, October 1950 to March 1951. As usual, the maximum monthly return of notes took place in the slack season month of July, when there was a return of Rs. 36·16 crores. This compared with a record return in the corresponding month of 1949 at Rs. 45·48 crores. The highest monthly absorption during 1950-51 was, as usual, in December, when it reached a record level of Rs. 49·47 crores as against Rs. 31·07 crores in December 1949.

26. *Issues of Notes by Denominations.*—Statement 22 shows the total issues of India notes by denominations as at the end of the fiscal years (ending 31 March) 1914, and 1921 to 1935 and for the calendar years (ending 31 December) 1935 to 1950, while the Table below gives the issues since 1945 of current denominations, together with the percentage of the issues under each denomination to the total issues.

ISSUES OF NOTES BY DENOMINATIONS

(Lakhs of Rupees)

As at the end of December	Rs. 2	Percent- age of (1) to (9)	Rs. 5	Percent- age of (2) to (9)	Rs. 10	Percent- age of (3) to (9)	Rs. 100	Percent- age of (4) to (9)	Total (1 + 3 + 5 + 7)
	1	2	3	4	5	6	7	8	9
1945	14,45	1·3	153,87	14·1	425,37	39·0	495,84	45·5	1,089,53
1946	25,42	2·0	197,09	15·7	545,40	43·4	488,71	38·9	1,256,62
1947	33,09	2·5	195,10	14·7	557,70	42·1	540,11	40·7	1,326,00
1948†	29,21	2·4	180,53	15·1	533,23	41·5	454,29	37·9	1,197,26
1949†	26,62	2·4	179,91	16·1	486,42	43·5	425,91	33·1	1,118,86
1950†	25,15	2·1	166,03	14·1	483,87	41·1	500,98	42·6	1,176,03

† Net of adjustments made in respect of India notes returned from the Pakistan circulation.

* These total Rs. 127·18 crores made on account of (i) Rs. 44·98 crores of India notes withdrawn from circulation in Pakistan during April to June 1948 and (ii) Rs. 82·20 crores of India notes returned from Pakistan during the period July 1948 to February 1949 under Section 4(2) of Part IV of the Pakistan (Monetary System and Reserve Bank) Order, 1947. Since March 1949, no adjustments have been made.

During the year 1950, with the notable exception of Rs. 100 notes, all the other current denominations of notes in circulation registered declines. The gross circulation of the Rs. 100 denomination, which had fallen from Rs. 540 crores at the end of 1947 to Rs. 426 crores at the end of 1949, showed a substantial rise of Rs. 75 crores to Rs. 501 crores at the end of 1950. The proportionate share of these notes in the total issues of all current denominations also correspondingly rose over the year from 38·1 per cent to 42·6 per cent. This denomination had constituted the largest proportion of the total notes during the years 1944 and 1945, but its proportion fell from 45·5 per cent at the close of 1945 to 38·9 per cent at the close of 1946, mainly on public apprehensions of possible demonetisation of this denomination following the demonetisation in January 1946 of notes of the denominations of Rs. 500 and above. During the years 1946 to 1949, Rs. 10 denomination had accounted for the largest percentage of total notes, although its share had shown a decline from 44·5 per cent at the end of 1948 to 43·5 per cent at the end of 1949. The proportion of Rs. 10 notes fell further during the year and stood lower at 41·1 per cent at the end of 1950 as compared to 42·6 per cent in the case of Rs. 100 denomination. The Rs. 5 and Rs. 2 denominations also showed decreases during the year from 16·1 per cent and 2·4 per cent, respectively, to 14·1 per cent and 2·1 per cent. As between the Government of India one rupee notes (not shown in the Table, as these are treated as "rupee coin") and the Bank notes of Rs. 2 denomination, the public continued to show a marked preference for the former.

On 16 September 1950, the Government of India issued a *press communique* warning the public against the fraudulent practice, adopted by unscrupulous persons, of smuggling over-printed Burma notes, particularly Rs. 100 notes, into India and passing them into circulation as India notes with the superscriptions skilfully erased. The *communique* included a list of the series and numbers of the over-printed Burma notes of the Rs. 100 denomination issued by the Government of Burma, for information of the public, to enable them to guard against possible acceptance of these notes in the normal course of business.

27. *Circulation and Absorption of Rupee Coin.*—Since 1 November 1943, when the standard silver rupee coin (of eleven-twelfths fineness) ceased to be legal tender, the 'rupee coin' in circulation in India has comprised (1) the Government of India one rupee notes issued from July 1940, which, in terms of the Government of India's Currency Ordinance of 24 July 1940 (No. IV of 1940), are deemed to be included in the expression 'rupee coin' for all purposes of the Reserve Bank of India Act, 1934, (2) the quaternary silver rupees (of one-half fineness) issued between December 1940 and June 1946, which continue to be legal tender and (3) the nickel rupees issued from June 1947. These coins (as well as current India small coins) were also in circulation in Pakistan at the time of the termination of the Joint Monetary Arrangements with Pakistan on 30 June 1948. In terms of Section 3 of Part IV of the Pakistan (Monetary System and Reserve Bank) Order, 1947 (as amended), the India coins, including one rupee notes are being withdrawn from circulation by the State Bank of Pakistan and certain categories of them, as specified in the Order, returned in instalments to the Reserve Bank of India. The amount so returned and adjusted during 1950-51 was Rs. 30 lakhs, the total amount adjusted upto the end of March 1951 being Rs. 4·22 crores. The details of rupee coin

returned by the State Bank of Pakistan and adjusted upto the end of March 1951 are given in the Table below :—

Year	(Lakhs of Rupees)				Total
	Standard Silver Rupees	Quaternary Rupees	Nickel Rupees	Government of India One Rupee Notes	
	1		3	4	
1948-49					
1949-50			8	3,41	3,92
1950-51			30	—	30
	Total	43	38	3,41	4,22

Pending the completion of the process of return of rupee coin in circulation in Pakistan by the State Bank, exact figures of the circulation of rupee coin in the Indian Union will not be available. The Table below shows the absorption or return of rupee coin, in the Indian Union, during 1950-51, after making adjustments for the amount returned during the year to the Reserve Bank of India from circulation in Pakistan.

MONTHLY VARIATIONS IN RUPEE COIN CIRCULATION IN THE INDIAN UNION DURING 1950-51

		(Lakhs of Rupees)			
Month		India rupee coin in circulation* in India and Pakistan	Variations in column (1)	India rupee coin returned from the Pakistan circulation and adjusted during the period	Absorption or return of rupee coin in the Indian Union (2—3)
		1	2	3	4
April	1950	148,36	+ 56	— 7	+ 63
May	"	150,38	+ 2,02	—	+ 2,02
June	"	149,77	— 61	—	— 61
July	"	147,56	— 2,21	—	— 2,21
August	"	146,60	— 96	— 8	— 88
September	"	145,47	— 1,13	— 15	— 98
October	"	146,45	+ 98	—	+ 98
November	"	146,88	+ 43	—	+ 43
December	"	148,30	+ 1,42	—	+ 1,42
January	1951	150,79	+ 2,49	—	+ 2,49
February	"	152,62	+ 1,83	—	+ 1,83
March	"	153,32	+ 70	—	+ 70
	1950-51	153,32	+ 5,52	— 30	+ 5,82

* At the end of month.

During the year under review, rupee coin circulation, in the Indian Union, rose further by Rs. 5·82 crores, as against an increase of Rs. 2·29 crores in 1949-50. This was brought about by a total absorption of Rs. 10·50 crores during April and May 1950, and October 1950 to March 1951, which was partially offset by a total return of Rs. 4·68 crores during the remaining four months of the year, namely, June to September 1950.

On 6 April 1950, the Reserve Bank received from the Government of India one rupee notes and coin of the value of Rs. 5 crores, in terms of Section 36 (2) of the Reserve Bank of India Act, against payment of legal tender value.

28. *Absorption of Small Coin.*—Statement 19 shows the monthly figures of absorption of small coin, in the Indian Union, during 1949-50 and 1950-51, while Statement 23 shows the annual absorption by denominations for the two quinquennia ended 1913-14 and 1918-19 and for every year thereafter upto 1947-48 in respect of undivided India and for the years 1948-49 to 1950-51 in respect of the Indian Union. Small coin returned from circulation in Pakistan and adjusted during 1950-51 amounted to Rs. 45 lakhs, the total amount so returned and adjusted upto the end of March 1951 being Rs. 1,27 lakhs since April 1948. Since 1944-45, when the wartime demand for small coin had carried the figure of absorption to a record level of Rs. 19.20 crores, there has been a progressive falling-off in the demand for this form of currency and, during 1949-50, there was actually a net return of small coin amounting to Rs. 2.16 crores, this being the first year since 1930-31 to show a net return. The year under review witnessed a larger return of Rs. 3.20 crores, which was the net result of a total return of Rs. 3.40 crores between June 1950 and March 1951 and a total absorption of Rs. 0.20 crore during April and May 1950. It will be noticed from Statement 18 that small coin is normally absorbed, irrespective of the trends in notes and rupee coin in circulation. Over the period 1915-16 to 1950-51, there have been only 5 years of return, namely, two years of return after World War I in 1920-21 and 1921-22, two years after World War II in 1949-50 and 1950-51 and the depression year 1930-31. The return of small coin during recent years is presumably the result of the unusually heavy absorption noticed during the war and immediate postwar years.

Circle-wise, the net return of small coin in the Bombay, Calcutta and Kanpur circles was higher than in the previous year, while in the case of Delhi it was lower (*vide* Table below). The highest return was registered in the Calcutta Circle, which last year had accounted for the smallest return. The Madras Circle, which had recorded a sizable return last year, however, showed a small absorption during the year.

Circle	(Thousands of Rupees)		
	Absorption(+) or Return (—) of Small Coin		
	1950-51	1949-50	1948-49
Bombay	— 32,43	— 30,67	+ 47,33
Calcutta	— 1,51,36	— 16,13	+ 67,21
Delhi	— 22,78	— 30,10	— 32,97
Kanpur	— 1,14,13	— 81,28	— 8,58
Madras	+ 91	— 57,41	— 48,80
Total	— 3,19,79	— 2,15,59	+ 24,19

Denomination-wise, all the denominations showed returns excepting the single pice and pie pieces, which recorded absorptions (*vide* Statement 23). The returns were higher than in the previous year, being Rs. 100.54 lakhs in half rupees, Rs. 97.53 lakhs in four annas, Rs. 60.09 lakhs in two annas and Rs. 65.54 lakhs in one anna, the corresponding figures for the previous year being Rs. 67.01 lakhs, Rs. 56.24 lakhs, Rs. 47.47 lakhs and Rs. 57.79 lakhs, respectively. The half-anna pieces, which had shown a continuous absorption ever since their introduction in January 1942, recorded a return of Rs. 3.78 lakhs during the year. The demand for single pice continued, although the absorption during the year at Rs. 7.73 lakhs was smaller than in the previous year. Pie pieces of the value of Rs. 3,000 were also absorbed, the demand for these coins emanating mostly from Government departments and banks for adjusting accounts.

Statement 24 shows the metal-wise absorption of small coin since 1939-40. Standard coin began to be withdrawn from circulation with the adoption by Government of a policy of progressively replacing standard silver coins of eleven-twelfths fineness by quaternary coins of one-half fineness mainly with a view to minimising the cost of coinage. The total amount of standard silver subsidiary coins withdrawn from circulation in undivided India between 1942-43 and 1947-48 amounted to Rs. 45 lakhs, while in 1948-49 and 1949-50, standard coin of the value of only Rs. 5 lakhs returned from circulation in the Indian Union. During 1950-51, there was no return of standard silver coins in the Indian Union. The meagre return of these coins is probably attributable to the prevailing high price of silver, which ever since August 1943, has remained above the theoretical melting point of the standard silver coin at Rs. 109 per 100 tolas.

Quaternary (silver) half rupee and quarter rupee coins of one-half fineness were issued for the first time in August 1940 and May 1940, respectively. The total absorption of these coins, since their issue upto the end of 1946-47, aggregated Rs. 39.22 crores. In view of the inadequate supplies of silver, the current level of silver prices in India and the obligation to return in kind the 226 million ounces of lend-lease silver received from the U.S.A. between 1943 and 1945, the Government of India discontinued from May 1946 the issue of quaternary half and quarter rupee coins (as well as quaternary rupee coins) and decided to replace them by pure nickel coins. In 1947-48, quaternary half and quarter rupee coins showed a return of Rs. 1.14 crores in undivided India. In the subsequent two years, the return in the Indian Union totalled Rs. 4.49 crores, and in 1950-51 it amounted to Rs. 2.85 crores. As compared with the return of standard silver coins, the return from circulation of quaternary coins has been appreciable, owing to the price of silver remaining below the theoretical melting point of quaternary coins at Rs. 200 per 100 tolas.

The absorption of pure nickel coins of the denominations of half and quarter rupees, the issue of which commenced in May 1946, amounted to Rs. 6.39 crores in undivided India upto the end of 1947-48. In the Indian Union, nickel coins of the value of Rs. 3.61 crores were absorbed in the two years 1948-49 and 1949-50, the absorption during 1950-51 being Rs. 0.91 crore.

IV. BANKING AND CAPITAL MARKETS

29. *General.*—In contrast with the relatively mild busy season of 1949-50, abnormally stringent money conditions prevailed during the busy season of the year under review as a combined result of the seasonal demand for funds, which was in itself heavy, and the speculative hoarding of commodities. Money rates consequently ruled higher than in the previous busy season and the expansion of credit by scheduled banks was the heaviest on record. The resources of the banking system were strained considerably, despite accruals of cash, arising from export surpluses, to deposit accounts which normally tend to decline during the busy season. During the year, deposit liabilities of scheduled banks rose by Rs. 51 crores, as against declines of Rs. 61 crores in 1949-50 and Rs. 71 crores in 1948-49. The total credit extended by scheduled banks increased by Rs. 85 crores in 1950-51 as against a fall of Rs. 34 crores in 1949-50. The total advances and bills discounted were at Rs. 547 crores, as

compared with Rs. 462 crores at the end of 1949-50 and Rs. 496 crores at the end of 1948-49. The ratio of advances to total deposit liabilities increased to a little over 60 per cent at the end of 1950-51, as against 54 per cent at the end of the previous year. The foreign exchange assets of the Reserve Bank, reflecting a surplus in the balance of payments, rose by Rs. 38 crores; in 1949-50 these assets had declined by Rs. 73 crores. The rupee securities of the Reserve Bank increased during the year by about Rs. 58 crores, as compared with an increase of Rs. 15 crores in 1949-50; the increase during the busy season upto the end of March 1951 amounted to Rs. 63 crores, indicating the assistance provided by the Bank to relieve the money market stringency. Cheque clearances went up during the year under review by Rs. 380 crores as against a decline of Rs. 489 crores in the previous year; the velocity of circulation of deposits (the ratio of cheque clearances to average demand liabilities of scheduled banks) registered a further rise to 11.0 per cent during the year as against 10.4 and 9.9 per cent in 1949-50 and 1948-49, respectively.

The number of offices of scheduled banks continued to decline. This may be probably attributed, as mentioned in last year's Report, to a weeding-out of un-economic branches after a decade of banking expansion covering the war and the immediate postwar years; during the year this process seems to have been accelerated by the increase in establishment costs resulting from the Bank Award. The net profits of the 11 largest Indian scheduled banks (each with demand and time liabilities of Rs. 10 crores or above) amounted to Rs. 458 lakhs in 1950, the corresponding profits for 1949 being Rs. 496 lakhs—a decline of nearly 8 per cent. While their gross earnings increased by Rs. 45 lakhs, establishment expenses rose by Rs. 79 lakhs.

The improvement in the capital market, signs of which were visible in the previous year, was maintained during the year under review. There was some revival of investment demand, but professional support continued to be the mainstay of the market. Equity prices maintained the uptrend which had commenced in July 1949 and, in common with the behaviour of equity markets in most countries, rose further following the outbreak of the Korean conflict, assisted by internal developments. The Reserve Bank's all-India index of variable dividend industrial securities (*base*: 1938=100), which had fallen to 110 in July 1949 from a peak of 286 in August 1946, stood at 133 in March 1951 as against 115 a year ago (*vide* Statement 44). For the year as a whole, the index rose by 8 per cent; in the previous year it had fallen by 16 per cent.

In contrast, the gilt-edged market, particularly the longer-dated section, continued to be weak. The Reserve Bank's index of Government and semi-Government security prices (*base*: 1938=100), which stood at 100.9 in March 1950, fell to 98.6 in March 1951. Apprehensions regarding the future of interest rates coupled with the unusually stringent money conditions in the busy season were among the major factors which affected the gilt-edged market adversely. It would appear that the flotation in June of the 3 per cent Government of India Loan, 1964 and in July of three ten-year State Government loans at below par were interpreted by the market to imply official cognizance of a hardening of interest rates. In the second week of December 1950, during the early phase of the busy season, official support to the gilt-edged market was resumed in order to prevent an undue fall in prices and to relieve the pressure on banks for seasonal funds. The Reserve Bank's purchases of Government securities were considerably larger in magnitude than in 1949-50. The

limitations of open market operations were indicated by the Finance Minister, when he stated in Parliament on 14 March that "the mechanism in regard to the control of the money market rates had a vital connection with inflation and if the Reserve Bank carried out its open market operations mechanically merely to stabilize the rate at a certain level, there was always the danger of its putting out inflationary finance and that is a situation which the Reserve Bank and the Central Government have agreed must not be resorted to".

The market responded to fresh issues more favourably than last year, though at slightly higher rates. The 3 per cent cash-cum-conversion loan of the Government of India for Rs. 30 crores and the loans of three State Governments amounting to Rs. 8 crores were fully subscribed. On Government loan account, there was a net outgo of Rs. 12.15 crores as compared with a net outgo of Rs. 25.48 crores in 1949-50. Small savings brought in about Rs. 25 crores in 1950-51, the collections in 1949-50 being Rs. 26 crores. Private issues appeared to have been more successful than last year. The available data show that the paid-up capital of joint stock companies quoted on the Bombay, Calcutta and Madras stock exchanges rose by Rs. 11 crores to Rs. 286 crores during 1950-51 in comparison with an increase of Rs. 3 crores in the previous year.

The flow of savings whether to the market or through small savings is still meagre and the major problem of the capital market continues to be one of encouraging savings and stimulating investment. Government have been encouraging the formation of capital in the private sector by various methods, the more important of which are the liberalisation of depreciation allowances on plant and machinery for income-tax purposes, the exemption of new industrial undertakings from income-tax for a specified period, the granting of relief in respect of customs duties on imports of raw materials and plant and machinery, and the promotion of small savings schemes.

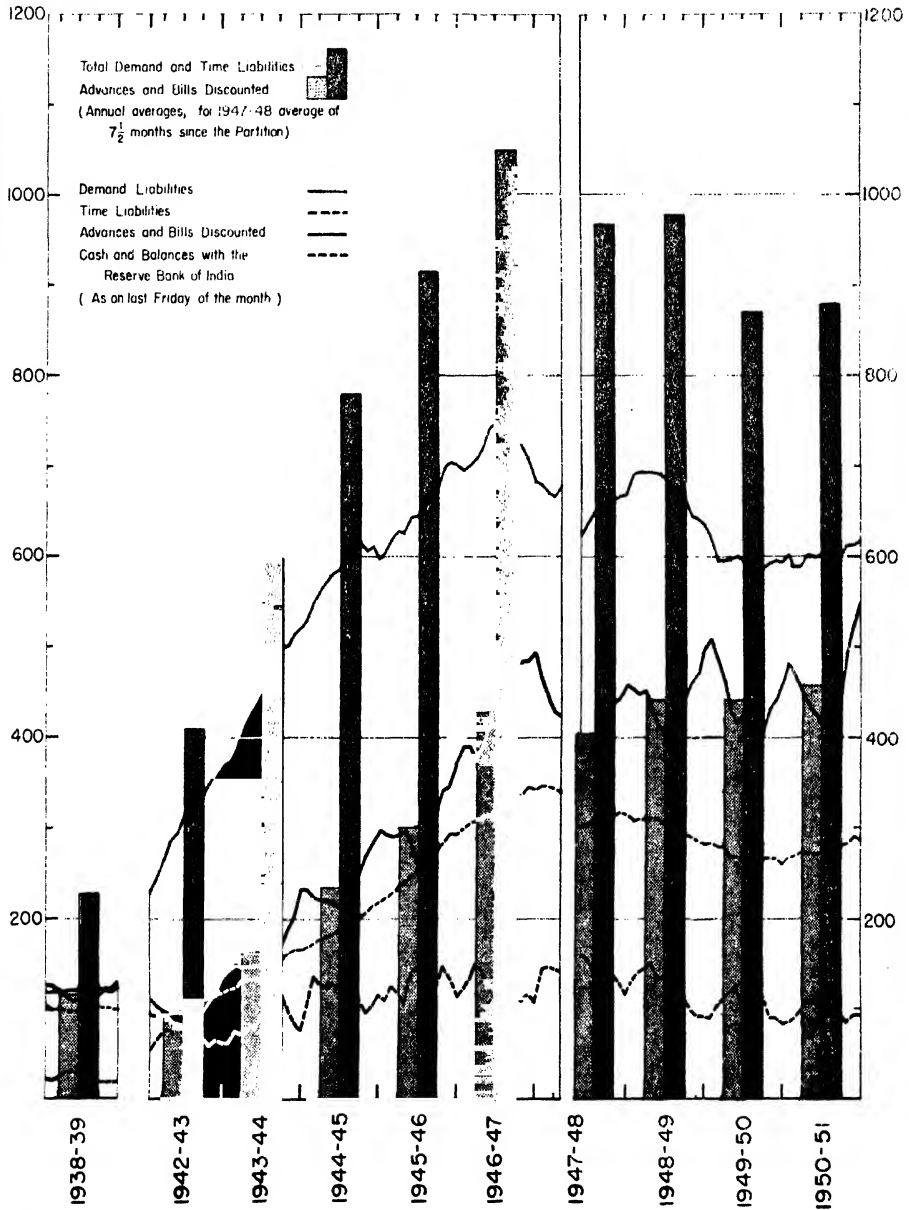
30. Money Rates and Money Conditions.—Like the busy season of 1948-49, the busy season of 1949-50 continued into the month of May. Money rates generally ruled firm till the middle of May 1950; the call money rate amongst the larger scheduled banks firmed up to 1 per cent on 8 April and stood at or around that level upto the third week of May; the corresponding rate amongst the smaller banks remained at $1\frac{1}{4}$ per cent till the end of the month. The three months' deposit rate remained at $1\frac{1}{2}$ - $1\frac{3}{4}$ per cent till the close of May 1950 and the six months' deposit rate at $1\frac{3}{4}$ per cent till the second week of June 1950. The scheduled banks' advances and bills discounted remained high (at Rs. 484 crores) till the first week of May, the peak of the season which was attained on 21 April being Rs. 486 crores. The expansion in bank credit during the period 25 November 1949 to 21 April 1950 was lower at Rs. 91 crores as compared to Rs. 112 crores in the previous busy season. Money rates also did not show the same degree of hardening. The main cause for the easiness was the comparatively low level of business activity, partly due to the stagnation in trade with Pakistan. This was reflected in the lower volume of cheque clearances, which was at Rs. 3,186 crores for the period November 1949 to April 1950 as against Rs. 3,395 crores for the corresponding period of the earlier busy season.

With the commencement of the slack season of 1950-51 in the middle of May, the call money rate amongst the larger scheduled banks and the three and the six months' deposit rates in Bombay declined, in early June, to $\frac{1}{2}$, $1-1\frac{1}{2}$ and $1\frac{1}{4}-1\frac{1}{2}$ per cent,

GRAPH 13

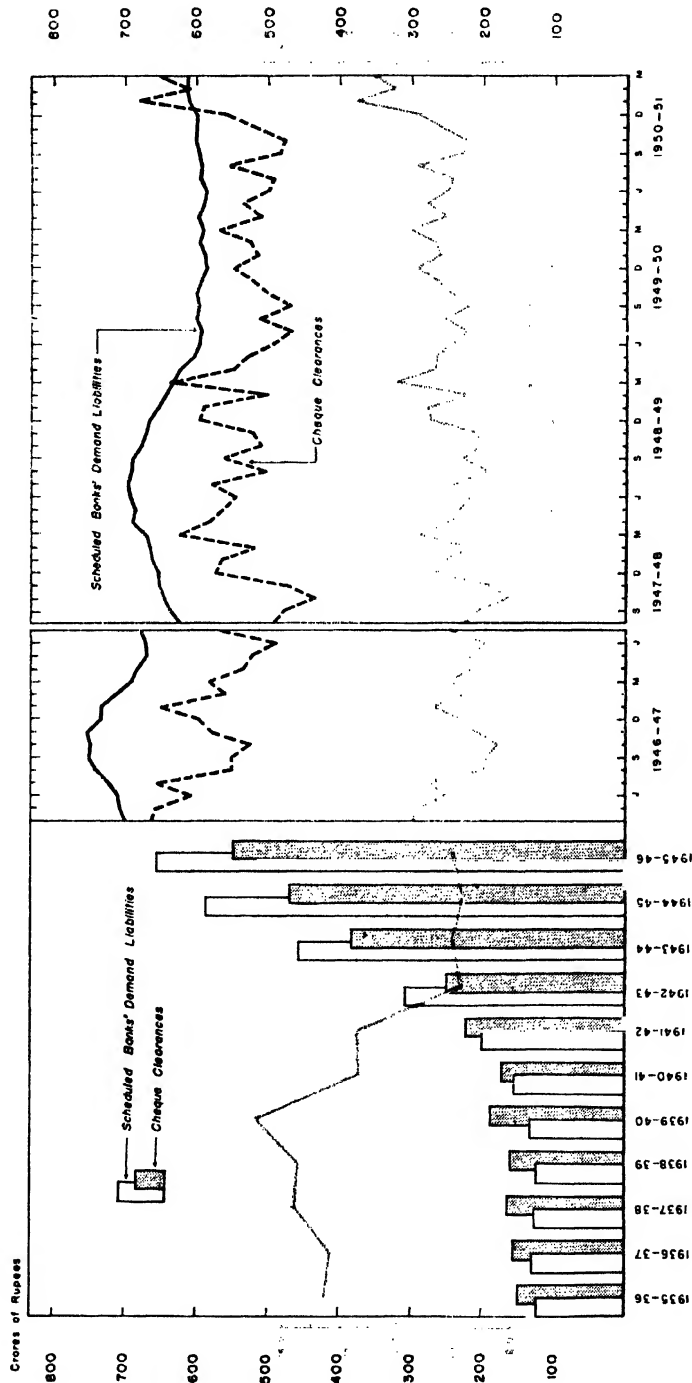
SCHEDULED BANKS' CONSOLIDATED POSITION

Crores of Rupees



GRAPH 14

CHEQUE CLEARANCES AND SCHEDULED BANKS' DEMAND LIABILITIES



respectively, from the preceding busy season's peaks of 1, $1\frac{1}{2}$ - $1\frac{3}{4}$ and $1\frac{3}{4}$ per cent ; the twelve months' deposit rate, which had remained unchanged at $1\frac{3}{4}$ -2 per cent since March 1948, fell to $1\frac{1}{2}$ - $1\frac{3}{4}$ per cent. Scheduled bank credit declined by Rs. 81 crores to Rs. 405 crores during the period 21 April to 24 November 1950, as against Rs. 119 crores during the previous slack season (*vide* Statement 28). The deposit liabilities of scheduled banks (excluding inter-bank borrowings) rose from Rs. 843 crores at the end of May to Rs. 866 crores at the end of November ; demand liabilities showed a seasonal rise of Rs. 16 crores to Rs. 588 crores, while time liabilities displayed comparative stability and rose from Rs. 271 crores to Rs. 278 crores. Scheduled banks' cash balances rose by Rs. 28 crores to Rs. 116 crores during the period, the excess over the statutory minimum having also risen from Rs. 19 crores to Rs. 46 crores and the cash ratio from 10 per cent to 13 per cent. Easy conditions in the money market during the slack season were reflected in an increase in the net sales of TDRs (Treasury Deposit Receipts) by the Reserve Bank. The outstanding amount of TDRs rose from Rs. 13.5 crores at the end of May to Rs. 15.8 crores at the end of October. The amount of cheque clearances fell from Rs. 536 crores in May to Rs. 476 crores in October (*vide* Statement 31).

The busy season of 1950-51 was marked by an unusually large demand for funds. In December 1950 there was a marked expansion of Rs. 40 crores in scheduled bank credit ; the ratio of scheduled banks' advances and bills discounted to total deposit liabilities rose, during the month, from about 46 per cent to over 50 per cent. In January 1951 money rates in Bombay hardened considerably, the call money rate among the larger scheduled banks having risen to $1\frac{1}{4}$ per cent and that among the smaller banks to $1\frac{1}{2}$ - $1\frac{3}{4}$ per cent. The Imperial Bank of India stepped up its *hundi* rate, which had remained unchanged at $3\frac{1}{2}$ per cent since 19 January 1949, to 4 per cent on 11 January 1951. The bazaar bill rate in Bombay also rose in January from $8\frac{1}{4}$ to 9 per cent. Total advances and bills discounted of scheduled banks as on 2 February 1951 rose to a new high of Rs. 515 crores, the earlier peak attained on 6 May 1949 being Rs. 514 crores. The demand for funds became more acute in March. The Imperial Bank of India raised, on 14 March, its call rate for loans to banks on borrowings of Rs. 5 lakhs and over against Government securities from $2\frac{3}{4}$ to 3 per cent and on those below Rs. 5 lakhs from 3 to $3\frac{1}{4}$ per cent ; these rates had remained unchanged since 28 March 1949. Scheduled bank credit expanded by Rs. 142 crores to Rs. 547 crores from the end of November 1950 to the end of March 1951, the comparable figures for the corresponding period of 1949-50 being Rs. 67 crores and Rs. 462 crores, respectively. The ratio of scheduled banks' advances and bills discounted to total deposit liabilities rose from 46 per cent to 60 per cent for the first time since 1940. Inter-bank borrowings increased from Rs. 16 crores to Rs. 24 crores. The cash balances of scheduled banks declined by Rs. 23 crores to Rs. 93 crores, the cash ratio from 13 per cent to 10 per cent and the excess over the statutory minimum from Rs. 46 crores to Rs. 22 crores. The outstandings of TDRs fell by Rs. 8 crores to Rs. 7 crores. Total deposit liabilities of scheduled banks (excluding inter-bank borrowings), which ordinarily decline in the busy season, however, remained high and increased by Rs. 17 crores to Rs. 882 crores mainly on account of a pronounced improvement in the balance of payments position.

The expansion in credit and the tightness in money rates in India, as in most other countries, were partly a result of developments that followed the outbreak of hostilities in Korea. Apart from the busy season requirements for funds for financing trade and movement of crops, the demand for credit was aggravated, among other

factors, by a rise in the general price level of the order of 7 per cent during the period November 1950 to March 1951, speculative hoarding of commodities in short supply and liberalisation of imports. A contributory factor was the conclusion of the Indo-Pakistan Trade Agreement on 25 February. The high level of activity was reflected in the higher volume of cheque clearances during the period November 1950 to March 1951 which totalled Rs. 3,024 crores as against Rs. 2,677 crores during the corresponding period of the previous year. Thus, despite the increasing accrual of cash to banks from export surpluses, the resources of the banking system were put to a heavy strain. There were sizable sales of Government securities by banks, as evidenced by an increase of Rs. 63 crores in the Reserve Bank's holdings of rupee securities during the period 24 November 1950 to 30 March 1951; during the corresponding period of 1949-50 the Bank's holdings had risen by Rs. 8 crores. As the year closed, there was no sign of abatement in the demand for bank credit and the pressure on banking resources continued to be high.

The following Table brings out the main trends in scheduled bank credit and relative items during the last three years :—

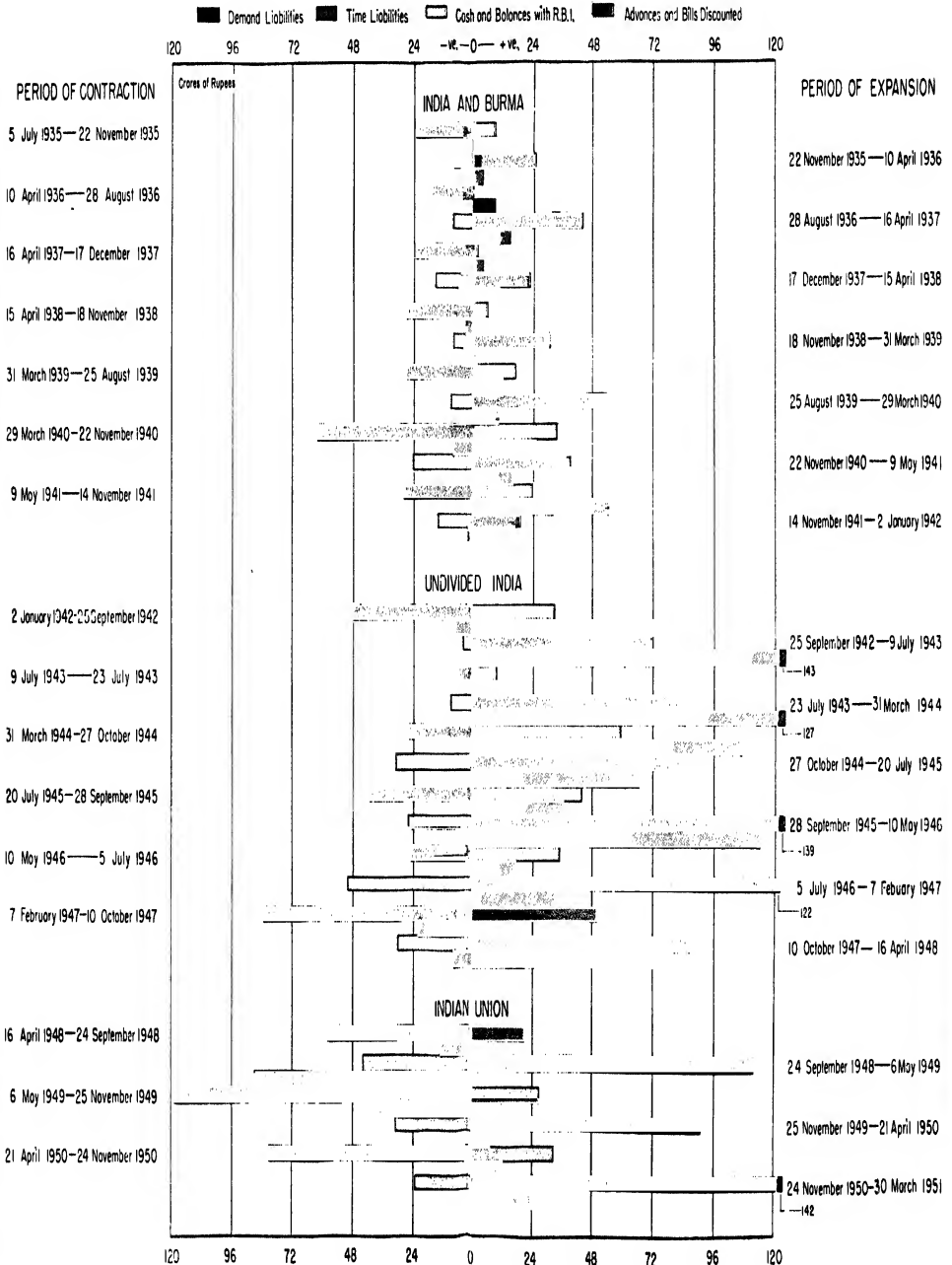
End of	Advances and Bills Discounted	(1) as percentage of (7)	Cash and Balances with the Reserve Bank	(3) as percentage of (7)	(Crores of Rupees)		
					Deposit Liabilities		
					Demand	Time	Total
	1	2	3	4	5	6	7
1948-49	496.46	54.2	89.73	9.8	630.58	285.27	915.86
1949-50	462.32	54.1	83.04	9.7	593.38	261.42	854.80
1950-51	546.87	60.3	93.29	10.3	616.26	289.95	906.21

Statements 25 to 27 give statistics relating to the consolidated position of scheduled banks. Graph 13 shows the trends in these for the years 1938-39 and 1942-43 to 1950-51, and Graph 14, the velocity of scheduled banks' demand liabilities. Statement 28 and Graph 15 indicate the seasonal variations in scheduled bank credit since 1935-36 and Statement 29 shows the money rates since 1935-36. Statistics relating to cheque clearances are given in Statements 30 and 31, while those relating to remittances and encashment of foreign circle notes are given in Statements 32 and 33.

31. *Number and Offices of Scheduled Banks.*—The number of scheduled banks in India declined by 4 to 96 during the year. The Pandyan Bank Ltd. and the Benares State Bank Ltd. were added to the Second Schedule to the Reserve Bank of India Act, while the Pioneer Bank Ltd., the Bank of Hindustan Ltd. and the Nath Bank Ltd. were excluded following suspension of payment by these banks. Three other banks, namely, the Comilla Banking Corporation Ltd., the Comilla Union Bank Ltd. and the Hooghly Bank Ltd. were excluded from the Second Schedule owing to their amalgamation on 18 December 1950 with the United Bank of India Ltd. (formerly known as the Bengal Central Bank Ltd.) The amalgamation of the banks was in accordance with the suggestion made by the Reserve Bank of India on 20 February 1950, with a view to improving the banking situation in Bengal which had been causing some concern, and restoring public confidence in the banking system in

GRAPH 15

SEASONAL VARIATIONS IN SCHEDULED BANK CREDIT



general in that State. In March 1951, the Punjab National Bank Ltd. and the Bharat Bank Ltd. entered into an agreement by which the former took over the entire deposit liabilities and assets of equivalent value of the latter.

The total number of offices of scheduled banks declined in 1950-51 by 104 to 2,796 as against a decrease of 140* in 1949-50. This was the net result of a closure of 191 offices (including 56 offices of 3 scheduled banks which were de-scheduled during the year) and an addition of 87 new offices (including 13 offices of banks which were scheduled during the year).

32. *Surveys of Scheduled Banks' Deposits, Investments and Advances.*—Statements 34, 35 and 37 show the results of half yearly surveys of deposits and investments and quarterly surveys of advances of scheduled banks and non-scheduled banks covering the year 1950, conducted by the Bank.

Deposits.—Half yearly surveys of ownership of deposits of scheduled banks disclosed that total deposits increased from Rs. 840 crores at the end of June 1950 to Rs. 850 crores at the end of December 1950 as against Rs. 826 crores at the end of 1949 (*vide* Statement 34). The relative importance of demand, savings and time deposits remained almost unaffected during the year, their respective proportions to total deposits standing at 57.16 and 27 per cent at the close of the year. The pattern of ownership of the various types of deposits also showed little change. Personal deposits continued to predominate in respect of savings as well as time deposits, accounting for 96 per cent of the former and 57 per cent of the latter as on 31 December 1950. The bulk of demand deposits continued to be business deposits ; as a percentage of total demand deposits they rose from 50.9 at the end of June 1950 to 52.4 at the end of December 1950 ; personal deposits declined from 29 per cent to 27.5 per cent of total demand deposits.

The following Table compares the results of the half yearly surveys as at the end of 1949 and 1950 in regard to ownership of demand, savings and time deposits.

Type of Deposit	31 December 1949				31 December 1950			
	Amount (Rs. Crores)	Business % of (1)	Personal % of (1)	Others % of (1)	Amount (Rs. Crores)	Business % of (1)	% of (1)	% of (1)
	1	2	3	4	1	2		
Demand ..	478.2	51.4	28.8	19.8	485.7	52.4	27.5	20.1
Savings ..	134.1	1.4	96.5	2.1	137.0	1.5	96.1	2.4
	214.2	23.6	59.4	17.0	226.7	25.7	56.5	17.8

Investments.—Half yearly surveys of investments showed that total investments of scheduled banks rose from Rs. 403 crores at the end of December 1949 to Rs. 416 crores at the end of December 1950, the rise being confined to the latter half of the year (*vide* Statement 35). Investments in Government securities remained around

* Revised.

88 per cent of the total at the end of both half years. The proportion of long-dateds (maturing after 15 years) and medium-dateds (maturing between 5 and 15 years) in the portfolio of Government securities declined from 17 per cent and 56 per cent, respectively, at the end of June 1950 to 15 per cent and 52 per cent, respectively, at the end of December 1950 and that of short-dateds rose from 26 per cent to 33 per cent. The proportion of total investments in shares and debentures, 'other trustee securities', foreign investments and 'others' remained almost unchanged, at about 3, 2, 5 and 2 per cent, respectively, at the end of both half yearly periods.

Advances.—Quarterly surveys of advances of scheduled banks, by purpose and by the nature of the security offered, showed that movements in advances mainly reflected seasonal trends in the demand for bank credit (*vide* Statement 37). Advances rose by Rs. 60 crores as at the close of the quarter ended March 1950 and declined by a similar amount by the end of September. At the end of 1950, advances stood at Rs. 476 crores as against Rs. 439 crores at the end of 1949. The proportion of industrial advances to the total rose from 30 per cent at the end of December 1949 to 34 per cent at the end of September 1950, declining to 32 per cent at the close of the year. Commercial advances followed a seasonal pattern, rising in the busy season and falling in the slack season; they represented 51·7 per cent of total advances at the end of the year as compared with 51·4 per cent on 31 December 1949. The Table below gives the distribution of scheduled bank advances according to purpose.

End of		Amount (Rs. Crores)	Industry % of (1)	Commerce % of (1)	Agriculture % of (1)	Personal and Pro- fessional % of (1)	Others % of (1)
December	1949	.. 438·5	30·4	51·4	1·9	8·7	7·6
March	1950	.. 498·4	31·5	52·1	2·3	7·9	6·3
June	..	.. 475·7	32·5	50·1	3·2	8·2	6·0
September	..	.. 438·3	34·0	47·6	3·3	9·4	5·6
December	..	.. 475·6	32·0	51·7	2·3	8·9	5·1

Advances to the cotton textile industry represented 8·3 per cent of total advances at the end of 1950 as against 6·6 per cent at the end of 1949, and advances to the sugar industry ranged between 2 per cent and 5 per cent during the year. Advances to wholesale traders in agricultural commodities showed a pronounced seasonal variation ranging between 15 per cent of the total at the end of June and 11 per cent at the end of September; similarly, advances to banks and other financial institutions rose from 8·3 per cent of total advances at the end of December 1949 to 9·2 per cent at the end of March and declined to 7·0 per cent at the end of June, at which level they remained for the rest of the year.

The Table below gives the distribution of advances by security :—

End of	Amount (Rs. Crores)	Government & Trustee Securities % of (1)	Shares % of (1)	Merchan- disc % of (1)	Real Estate % of (1)	Bullion % of (1)	Other Securities % of (1)	Unsecured % of (1)
	1	2	3	4	5	6	7	8
December 1949	438.5	11.5	12.0	40.9	5.2	2.2	14.8	13.4
March 1950	408.4	11.4	10.7	45.4	4.3	2.2	12.2	13.6
June „	475.7	9.6	10.5	47.2	4.5	2.3	11.8	14.0
September „	438.3	9.9	11.6	43.2	5.1	2.8	13.6	13.7
December „	475.6	9.5	11.2	44.7	4.7	3.1	12.5	14.3

Advances against Government and trustee securities declined from 11.5 per cent of total advances at the end of 1949 to 9.5 per cent at the end of 1950 ; advances against shares and real estate showed declines from 12.0 per cent and 5.2 per cent, respectively, to 11.2 per cent and 4.7 per cent. On the other hand, advances against merchandise, which continued to form the bulk of scheduled bank credit, increased from 40.9 per cent to 44.7 per cent during the year, and advances against bullion rose from 2.2 to 3.1 per cent. The proportion of secured advances stood lower at 85.7 per cent at the end of 1950 as against 86.6 per cent at the end of 1949.

33. *Non-scheduled Banks.*—The number of non-scheduled banks submitting monthly returns under Section 27 (1) of the Banking Companies Act, 1949 declined from 358 at the end of 1949 to 339 at the end of 1950 (*vide* Statement 36). The total deposits of non-scheduled banks fell from Rs. 40 crores at the end of December 1949 to Rs. 35 crores at the end of February 1950 and rose to Rs. 39 crores by the end of June ; they remained around Rs. 38 crores till November and closed for the year at Rs. 37 crores. Cash balances of non-scheduled banks declined from Rs. 3.6 crores at the end of December 1949 to Rs. 2.7 crores at the end of February 1950 ; they rose to Rs. 3.3 crores at the end of June, declined to Rs. 2.7 crores at the end of November and stood at Rs. 3.6 crores at the end of December 1950. The cash ratio generally remained at around 8.9 per cent. Loans and advances which stood at Rs. 31.3 crores at the end of January 1950 declined sharply to Rs. 28.4 crores in February ; in subsequent months they moved upwards remaining around Rs. 30 crores until September and rising to Rs. 31.4 crores in October ; thereafter they declined touching Rs. 28.4 crores in December 1950. In December 1949 they were at Rs. 30.4 crores. Their ratio to total deposits remained unchanged at 76 per cent as at the close of both years. For scheduled banks the corresponding ratio was 46 per cent at the end of 1949 and 49 per cent at the end of 1950.

The results of the half yearly sample surveys of deposits and investments and of quarterly surveys of advances of non-scheduled banks for 1950 are shown in State-

ments 34, 35 and 37. The Table below gives some results of the half yearly sample surveys of deposits of non-scheduled banks for 1950.

		December 1949 (110 banks)		June 1950 (98 banks)		December 1950 (123 banks)	
		Amount (Rs. Crores)	Percentage to Total	Amount (Rs. Crores)	Percentage to Total	Amount (Rs. Crores)	Percentage to Total
Demand	..	8.4	29.1	5.9	23.3	6.7	23.6
Savings	..	5.2	18.0	4.8	19.0	4.9	17.3
Time	..	15.4	52.9	14.6	57.7	16.8	59.1
Total	..	28.9	100.0	25.3	100.0	28.4	100.0

It would appear that the proportion of time deposits, which continued to account for the bulk of total deposits, tended to rise progressively standing at 59.1 per cent at the end of December 1950 as against 52.9 per cent at the end of 1949; correspondingly demand and savings deposits showed a downtrend. The bulk of demand deposits, amounting to more than 50 per cent of the total (*vide* Statement 34), continued to be held by business in 1950, though their proportion to the total tended to be downward; in contrast, personal deposits, which accounted for more than a quarter, tended to rise. Personal ownership of savings and time deposits rose to about 88 per cent and 70 per cent of their respective totals. Ownership of savings and time deposits by business averaged 7 per cent and 22 per cent, respectively, and the proportion tended to be downward.

Half yearly sample surveys of investments of non-scheduled banks (*vide* Statement 35) showed that Government securities constituted about 79 per cent of the total, which represents a slight rise during the year. As at the end of the year short-dated securities represented 16 per cent of total holdings of Government securities, medium-dateds 45 per cent and long-dateds 39 per cent. Shares and debentures averaged about 10 per cent of total investments, 'other trustee securities' somewhat more than 2 per cent, fixed deposits 2 per cent and 'others' about 5 per cent. Investments in shares and debentures, 'other trustee securities' and 'others' generally showed an upward trend, while those in fixed deposits tended downward.

The Table below shows movements in non-scheduled bank credit classified by purpose of borrowing for each quarter of 1950.

End of	Amount (Rs. Crores)	Industry % of (1)	Commerce % of (1)	Agriculture % of (1)	Personal and Professional % of (1)	Others % of (1)
	1	2	3	4	5	6
December 1949	43.5	19.2	40.5	5.1	29.3	6.0
March 1950	40.3	15.3	43.0	4.7	28.2	8.7
June "	42.4	16.0	45.4	5.2	27.5	5.9
September "	41.1	16.8	43.2	5.5	28.8	5.8
December "	41.0	17.8	41.6	5.4	28.3	6.9

The total advances of non-scheduled banks stood at Rs. 41.0 crores at the end of December 1950 as against Rs. 43.5 crores at the end of December 1949. While industrial and personal and professional advances showed a downtrend, commercial, agricultural and other advances recorded increases.

A classification of advances of non-scheduled banks according to security is shown in the Table below :—

End of	Amount (Rs. Crores)	Government & Trustee Securities	Shares % of (1)	Merchandise % of (1)	Real Estate % of (1)	Bullion % of (1)	Others % of (1)	Unsecured % of (1)
	1	2	3	4	5	6	7	8
December 1949	43.5	0.5	6.6	22.4	18.7	17.3	13.6	20.9
March 1950	40.3	0.8	5.2	18.7	20.9	17.0	14.3	23.1
June „	42.4	0.4	4.6	23.7	19.8	14.9	12.9	23.7
September „	41.1	0.4	4.6	19.8	20.2	18.9	13.0	23.2
December „	41.0	0.4	4.0	19.8	20.5	19.5	13.7	22.1

Advances against Government and trustee securities accounted for less than 1 per cent of total advances as against about 10 per cent in the case of scheduled banks. Advances against shares and merchandise declined and advances against real estate and bullion increased. Secured advances of non-scheduled banks declined from 79.1 per cent at the end of December 1949 to 77.9 per cent at the end of 1950, the corresponding percentages for scheduled banks being 86.6 and 85.7, respectively.

34. *Banking Legislation.*—On 16 March 1951, two years after the Banking Companies Act, 1949 became effective, Sections 7 and 24 of the Act came into force as provided in the Act. Under Section 7, a banking company is required to use, as part of its name, any of the words 'bank,' 'banker' or 'banking,' while a non-banking company is prohibited from using any of these words in its name. Section 24 requires that every banking company shall maintain in cash, gold or unencumbered approved securities at least 20 per cent of its demand and time liabilities in India.

The Reserve Bank of India (Amendment) Bill, 1950, which was introduced in Parliament on 19 April 1950, was, after being referred to a Select Committee, finally passed by Parliament on 27 April 1951 and received the President's assent on 15 May. The main provisions of the amending Act are : (1) the Reserve Bank of India Act, 1934, is extended to the whole of India except the State of Jammu and Kashmir, (2) in the absence of the Governor of the Bank, the Deputy Governor nominated by the Governor for the purpose will exercise general superintendence and direction of the business of the Bank and all powers vested in the Bank, (3) the eligibility for rediscount of commercial paper by the Bank under Section 17 is extended to bills bearing the signature of a State co-operative bank, (4) the period of maturity of bills drawn for the finance of seasonal agricultural operations or the marketing of crops, eligible for rediscount by the Bank, is extended from 9 to 15 months, (5) the

restrictions on the holding, by the Banking Department of the Bank, of Government securities as to the aggregate amount and maturity are removed, (6) the Bank is authorised to act as an agent for any foreign Government or person approved by Government, (7) the Bank is authorised to undertake the monetary and debt management functions of Part B States by agreement with each State, (8) the weekly return furnished by scheduled banks under the Act will include figures of their investments; such return will be submitted not later than 5 days after the date to which it relates instead of 2 days as at present; in the case of banks having offices at places which may be difficult of access, the Bank may allow such banks to furnish a provisional weekly return within 5 days to be followed by a final return not later than 10 days, (9) the Bank may exempt any bank from the provision of maintaining statutory balances with it, or submitting returns under Section 42 for such period and to such extent as it may think fit, (10) the Bank's power to obtain returns similar to those from scheduled banks is extended to all State co-operative banks and (11) the right of the Imperial Bank to be the sole agent of the Reserve Bank is limited to Part A and C States.

The Part B States (Laws) Bill, 1950, which was introduced in Parliament on 17 November 1950 and passed on 9 February 1951, came into effect from 1 April 1951. This Act extends Central laws including the Indian Companies Act, 1913 to Part B States. Consequently, banking companies incorporated in such States and confining their activities to such States now fall within the purview of the Banking Companies Act, 1949.

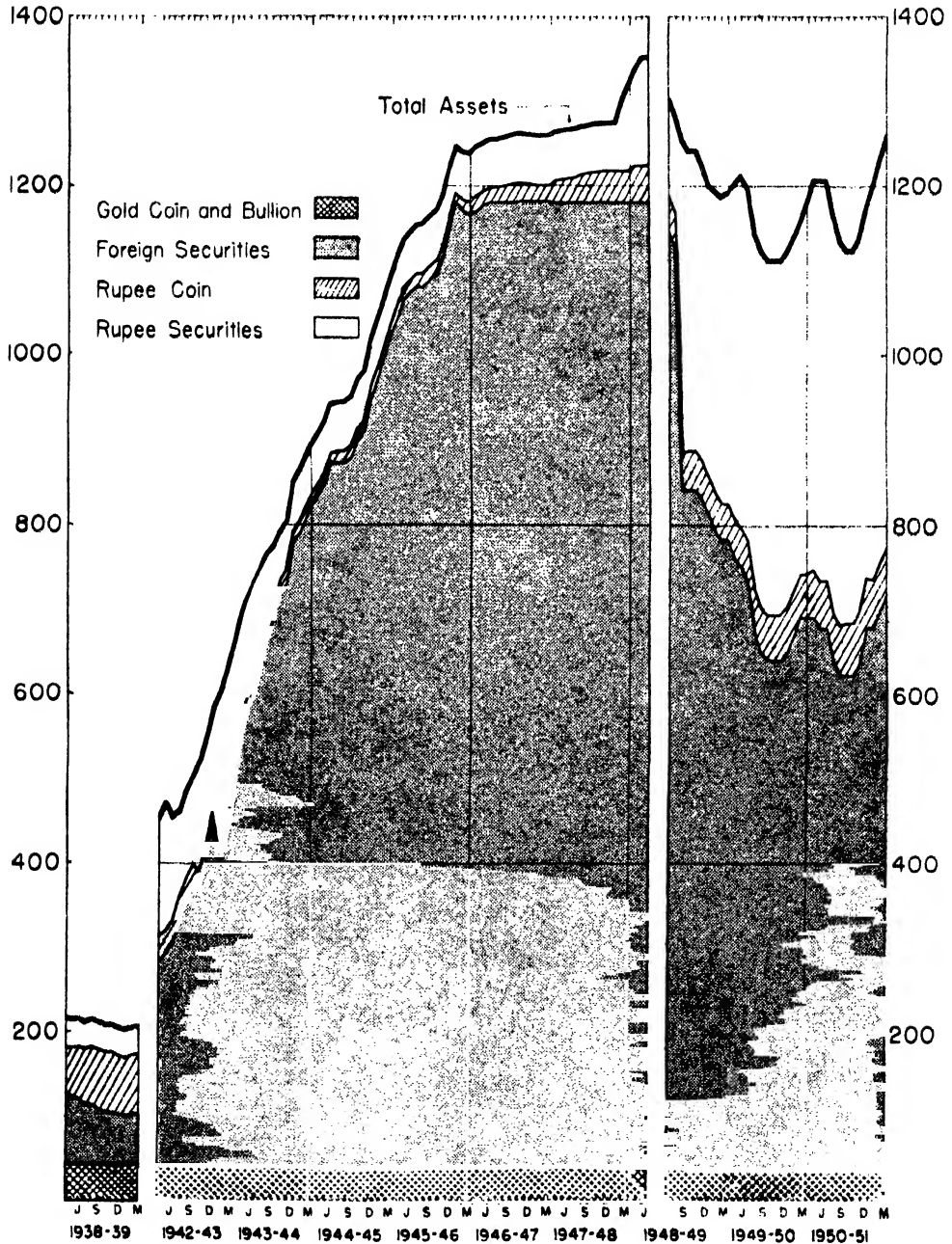
35. *Report of the Rural Banking Enquiry Committee.*—The Rural Banking Enquiry Committee, to which reference was made in last year's Report, submitted its report in May 1950. The report, after examining the banking facilities at present available to the rural areas, recommended several measures for improving these facilities mainly with a view to mobilising rural savings. The more important recommendations of the Committee were : (1) the Reserve Bank should establish its offices in the capitals of all major States in the Union and increase the number of currency chests of its Issue Department, (2) the Imperial Bank of India should extend its branches to the *taluka* or *tehsil* towns, where these do not exist at present and where the volume of Government business and business potentialities warrant such extension, (3) commercial banks and co-operative banks should be encouraged to open branches in *taluka* towns and smaller towns, (4) the services of postal savings banks should be improved and more fully utilised, (5) the co-operative institutions should be strengthened and given special assistance, (6) exchange and remittance facilities should be made available on a larger scale and over a wider area than at present, and the latter should be offered to commercial banks, co-operative banks and societies and indigenous bankers on easier terms to encourage them to expand into the interior, (7) a Warehousing Development Board with funds contributed by the Central and State Governments and the Reserve Bank should be established for developing warehousing through loans and subsidies to banks and co-operative institutions and (8) the Reserve Bank should be appointed as banker to all Part B States; the Bank is to appoint its agents in each State for the management of cash work of Government. The Committee also recommended that steps should be taken for the removal of impediments such as illiteracy, lack of communications, restrictive legislation, etc., which now hamper the growth of banking institutions; the Committee further proposed that the offices of banks situated in towns having a population of less than 50,000, should be excluded from the operation of the Shops and Establishments

GRAPH 16

ASSETS OF THE ISSUE DEPARTMENT OF THE RESERVE BANK OF INDIA

Crores of Rupee

(AS ON LAST FRIDAY OF THE MONTH)



LIABILITIES OF THE BANKING DEPARTMENT OF THE RESERVE BANK OF INDIA

Total Liabilities

Deposits of Governments
Deposits of Banks
Other Liabilities

Y-axis: Crores of Rupees (0 to 900)
X-axis: Fiscal Years (1938-39 to 1950-51)

Acts in the States and from the awards of the Industrial Tribunals. The recommendations of the Committee are now under consideration of the authorities concerned.

36. *Award of the All-India Industrial Tribunal (Bank Disputes).*—The All-India Industrial Tribunal (Bank Disputes), which was constituted in June 1949 to adjudicate upon certain disputes between banks having branches in more than one State and their employees, issued its award in August 1950. The Tribunal classified banks into three classes on the basis of their working funds, and the country into three areas on the basis of cost of living and population. Basic pay scales for clerical and subordinate staff for different classes of banks in different areas were prescribed, and dearness allowances for employees were linked to the cost of living index. In addition, special allowances were prescribed to be given to certain categories of employees. According to the directions of the Tribunal, bonus was to be paid to the employees on the basis of dividend declared by the banks. Other important directions of the Tribunal were the liberalisation of leave rules, the establishment of contributory Provident Funds, payment of gratuity to employees who were not eligible for pension, provision of liberal medical facilities and the reduction of working hours to 36 per week.

The validity of the Award was challenged by certain banks before the Supreme Court, which, on 9 April 1951 declared the Award void on certain technical grounds. The Government of India, thereupon, decided to constitute fresh machinery for the settlement of outstanding disputes in the banking industry. A conference of representatives of banks and bank employees was convened on 10 May 1951 and this was followed by the appointment, on 22 May, of a Conciliation Board consisting of two representatives each of banks and their employees and a Chairman who was a High Court Judge. The Industrial Disputes (Amendment and Temporary Provisions) Bill was introduced on 7 June and passed by Parliament on the following day. The Bill which became law on 26 June provided for the continued payment to bank employees of the total emoluments that were being drawn by them immediately before 1 April 1951, and authorized the inclusion of a person with special knowledge of banking in a Tribunal constituted to deal with disputes between banks and their employees. The attempt to settle disputes through conciliation was, however, later on abandoned and all outstanding disputes were referred for adjudication to a new Tribunal on 17 July 1951.

37. *Reserve Bank of India.*—Statements 38 to 43 and Graphs 16 to 19 show the trends in the assets and liabilities of the Reserve Bank of India.

Notes in circulation increased during the year by Rs. 84 crores to Rs. 1,247 crores (*vide* para. 25).

Deposits of the Central Government fluctuated between Rs. 125 crores and Rs. 145 crores from the beginning of April to the end of August 1950. Barring a break in November, these deposits tended generally to move upward and stood at Rs. 171 crores on 2 March 1951, closing for the year at Rs. 162 crores as against Rs. 129 crores at the end of 1949-50—an increase of Rs. 33 crores during the year under review, in contrast to a decline of Rs. 55 crores in the previous year. On the other hand, deposits of Part A States declined from Rs. 46 crores at the end of

March 1950 to Rs. 8 crores by 12 January 1951. They rose by about Rs. 7 crores in the following week and stood at Rs. 26 crores at the close of the year, being Rs. 19 crores less than at the end of the previous year.

Deposits of banks at the Reserve Bank fell by Rs. 7 crores to Rs. 45 crores in the second week of the opening month of the year. They were generally steady at around Rs. 52 crores until the end of June and increased to Rs. 82 crores by the end of November. Pressure of the busy season demand for bank credit began to affect banks' deposits with the Reserve Bank perceptibly from December and, by the end of March 1951, these deposits fell to Rs. 59 crores ; for the year as a whole, they recorded an increase of Rs.6 crores in contrast to a reduction of Rs. 2 crores in the previous year.

'Other deposits' at the Bank, comprising mainly the accounts of the IMF and certain foreign central banks, were generally steady at around Rs. 60-63 crores till January 1951 ; these stood at Rs. 72 crores at the end of 1950-51, as against Rs.64 crores at the end of 1949-50.

On the assets side, gold coin and bullion remained unchanged at Rs. 40 crores (at the statutory price of Rs. 21-3-10 per tola) during the year as during 1949-50.

Movements in foreign assets of the Bank generally reflected the balance of payments position of the country. They declined from Rs.859 crores at the end of March 1950 to Rs. 805 crores on 8 September 1950. There was a recovery of Rs. 10 crores during October and November and during the remainder of the year the acquisition of foreign assets by the Bank amounted to Rs. 67 crores. This improvement was largely due to the favourable balance of trade. At the end of 1950-51 the Bank's foreign holdings stood at Rs. 884 crores which represents an increase of Rs. 38 crores, exclusive of Rs. 12 crores transferred in sterling to the State Bank of Pakistan in May 1950 against the return of an equivalent amount of India rupee securities by it. (This adjustment was due to the fact that sterling payment to the U. K. Government on account of military stores and pension liabilities turned out to be less than the provisional estimate adopted earlier for the purpose of apportioning the sterling assets of the Reserve Bank between the two countries on Partition).

The Bank's holdings of rupee securities remained comparatively stable till the end of November when they stood at Rs. 523 crores. The rise from Rs. 519 crores to Rs. 530 crores during the week ended 26 May 1950 mainly reflected the receipt of Rs. 12 crores of Government of India securities from Pakistan, referred to above. At the end of 1950-51, total rupee securities stood at Rs.586 crores, as against Rs. 516 crores at the end of the previous year.

'Other loans and advances' (mostly to banks) remained at around Rs.10-11 crores till the middle of July. Thereafter, there was a steady decline till the end of October, when they stood at Rs. 3 crores. During the period November 1950 to February 1951 these ranged between Rs.4 crores and Rs. 5 crores. There was a sharp increase in March and at the end of the year they stood at Rs. 17 crores, as against Rs. 11 crores at the end of March 1950.

GRAPH 18

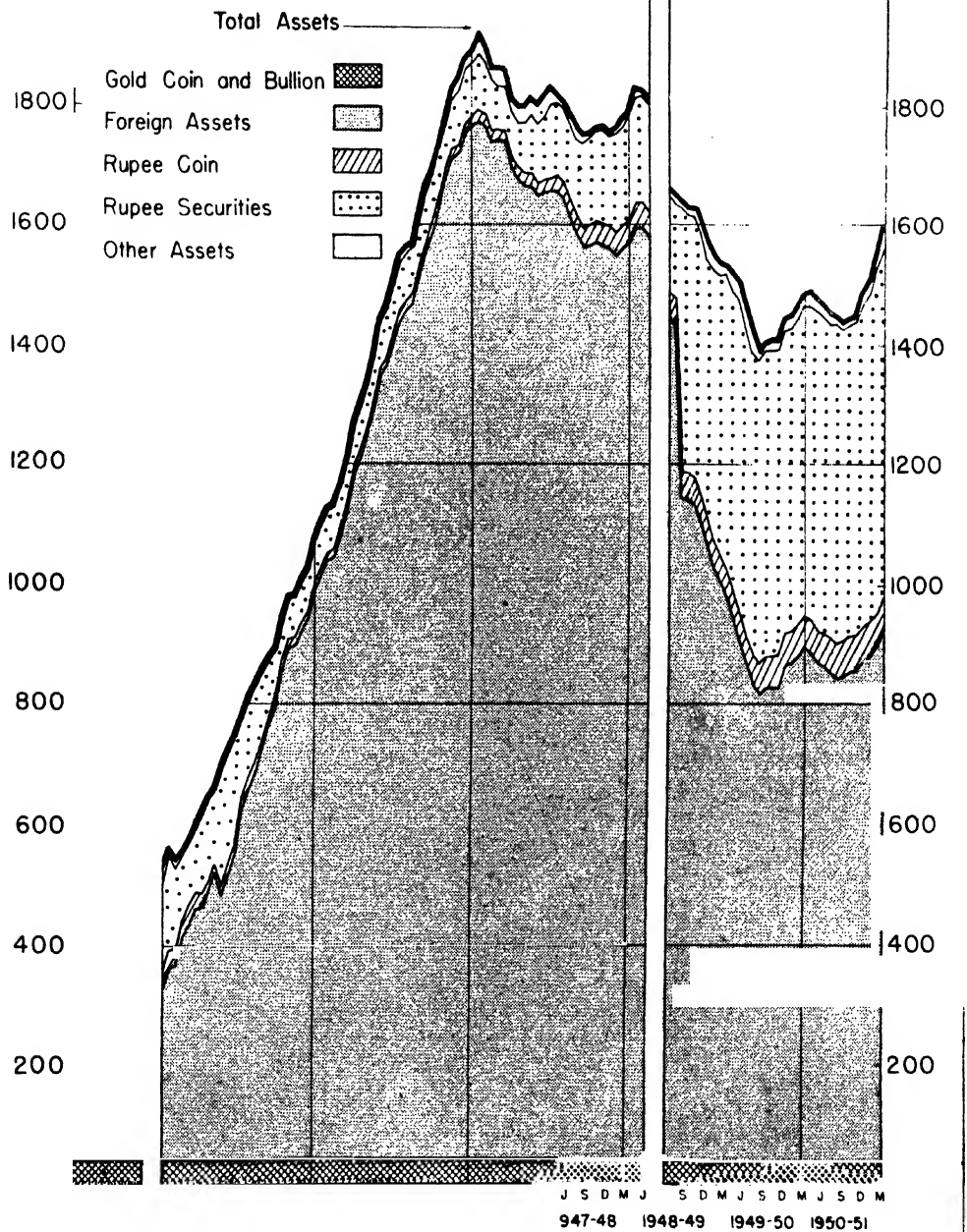
ASSETS OF THE RESERVE BANK OF INDIA

Issue and Banking Departments Combined

(AS ON LAST FRIDAY OF THE MONTH)

Crores of Rupee

2000

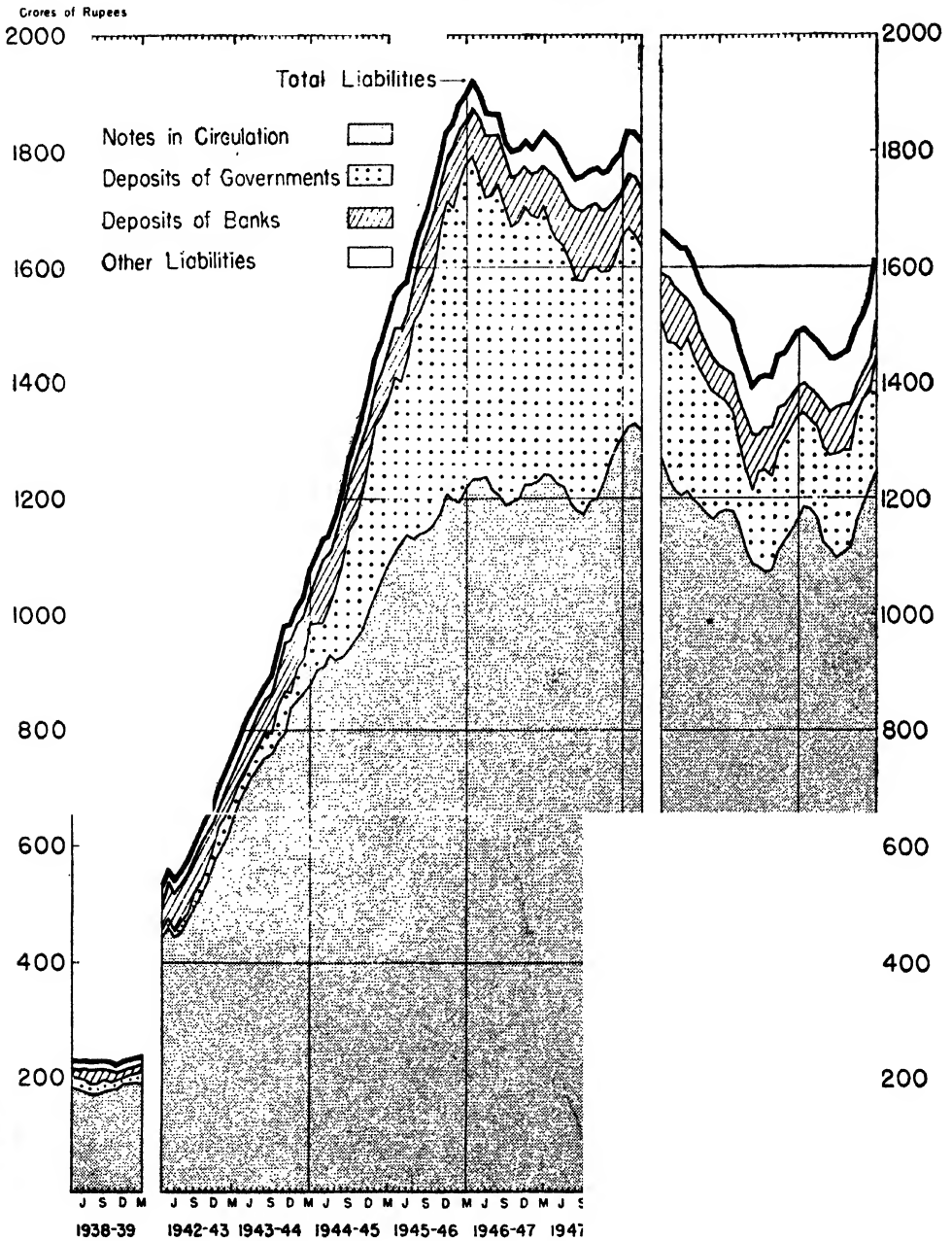


GRAPH 19

LIABILITIES OF THE RESERVE BANK OF INDIA

Issue and Banking Departments Combined

(AS ON LAST FRIDAY OF THE MONTH)



Bills purchased and discounted (mostly Treasury bills discounted for Part A State Governments) by the Bank remained at around Rs. 2-3 crores for the first nine months of the year. Thereafter, there was a rise, particularly in the last month of the year. At the end of 1950-51, they amounted to Rs. 8 crores as against Rs. 2 crores at the end of 1949-50.

38. *Government Securities Market.*—The Bombay gilt-edged market remained steady during the larger part of the first quarter of the year under review, the onset of the slack season in the middle of May tending to steady prices. The flotation by the Union Government in June of the 3 per cent Loan, 1964 was, however, followed by a recession in prices, some of the longer-dated issues adjusting to the new yield basis by shedding a few annas. Thereafter, despite the continuance of easy money conditions, the market ruled weak; the quotations of State Government securities were affected by the issue at below par of three State Government loans (*vide* para. 73). The declining trend in prices was accentuated with the advent of the busy season and by the market's reaction to the official statement on the limitations of the policy of open market operations in the context of the prevailing inflationary conditions (*vide* para. 29). The deteriorating international situation added to the nervousness of the market. The 3 per cent Conversion Loan of 1946 touched a low of Rs. 93-0 on 11 December, as against Rs. 97-0 at the end of March 1950 and Rs. 97-1 at the end of June 1950. The support which the Reserve Bank extended to the loan, at this stage, tended to steady the quotation around Rs. 93-0 at which level it remained till 15 March 1951. The Bank's buying rate was reduced to Rs. 92-14 (ex-voucher) on 16 March and the loan closed at that level for the year. The growing stringency in the money market was mainly responsible for the quotations continuing to remain easy during the last quarter of the year.

The closing prices for 1950-51 showed declines in all sections compared to the prices a year ago. The declines were most pronounced in the case of longer-dateds and irredeemables. In the short-dated group, the 3 per cent Loan, 1953-55 fell by 7 annas. The 2½ per cent Loan, 1962 lost Rs. 3-13. Among long-dateds the 3 per cent Loan, 1970-75 fell by Rs. 5-6. In the non-terminable group, the 3 per cent Conversion Loan of 1946 was lower by Rs. 4-2 and the 3 per cent Rupee Paper by Rs. 4-0, the yield on these two loans being 3·23 per cent at the close of the year. The yields on the 3 per cent Loan, 1970-75 and the 2½ per cent Loan, 1976 at 3·31 per cent and 3·27 per cent, respectively, were higher than the yields on the non-terminables. This would appear to be a consequence of the policy of discriminating support to Government debt.

The Government of India's loan operations fell short, as in the previous year, of the budgeted amount, subscriptions totalling Rs. 30·33 crores as against a budgeted target of Rs. 75 crores. Details of new loans floated by the Government of India and the State Governments are given in paras 67 and 73.

Statement 45 gives the average monthly and annual yields, and the highest and lowest prices during 1950-51 of all outstanding Government of India securities and Statement 46 gives the trend of prices of Government of India securities since 1946. Graph 20 shows the monthly average yields on selected Government of India securities.

39. *Industrial Share Market.*—In contrast to the weakness in gilt-edged securities, the industrial share markets in India displayed generally firm conditions for the larger part of the year under review. The recovery that had begun in July 1949 was sustained, although the market tended to be unsteady at times. Professional activity, however, continued to predominate. Helped by the Indo-Pakistan Interim Trade Agreement of April 1950, the market generally ruled firm in the first quarter of the year under review notwithstanding the short-term nature of the agreement and rumours of revaluation of the Indian rupee. Sentiment was also influenced by Government's decision not to allow, upto the end of 1950, any increase in cloth prices despite an increase of Rs. 150 per candy in the basic ceiling price of cotton. Official assurances that a revaluation of the rupee was not contemplated helped market sentiment. After the outbreak of the Korean War the market remained distinctly bullish until the strike in August of workers in the Bombay textile mills. Other major factors which contributed to the feeling of uncertainty included the failure of Sir Owen Dixon's Mission in Kashmir, the publication of the All-India Industrial Tribunal (Bank Disputes) Award, and the postponement by the International Monetary Fund of a decision on the par value of the Pakistani rupee. The market, however, looked up again from about the middle of October, being assisted, among other factors, by the termination of the textile strike, the prolongation of the Korean War, the expected implications of the Colombo Plan, the Prime Minister's assurance on 2 October that a capital levy would not be imposed to finance refugee rehabilitation and the postponement by Parliament of the Industries (Development and Control) Bill. The firmness of the market continued for the rest of the year. The Indo-Pakistan Trade Pact of 25 February and the Central budget proposals (which did not contain any major levies on industry) imparted fresh strength to the market during the closing quarter of the year, although there were temporary breaks about the end of January when prices receded, somewhat sharply, owing to the developments in the Far East, and again around mid-March, when rumours of revaluation of the Indian rupee reappeared. On balance, prices at the end of 1950-51 showed gains over a wide front compared with the previous year's closing levels. Graph 21 shows price trends since January 1946 of Government and semi-Government securities, and of fixed dividend and variable dividend industrial securities. Statement 47 shows price trends by quarters in some of the leading industrial shares on the Bombay, Calcutta and Madras share markets during 1950-51. The Reserve Bank's index numbers of security prices are given in Statement 44; the percentage rise or fall at the end of March 1951 as compared with the levels prevailing a year ago in the case of some of the leading groups are indicated below :—

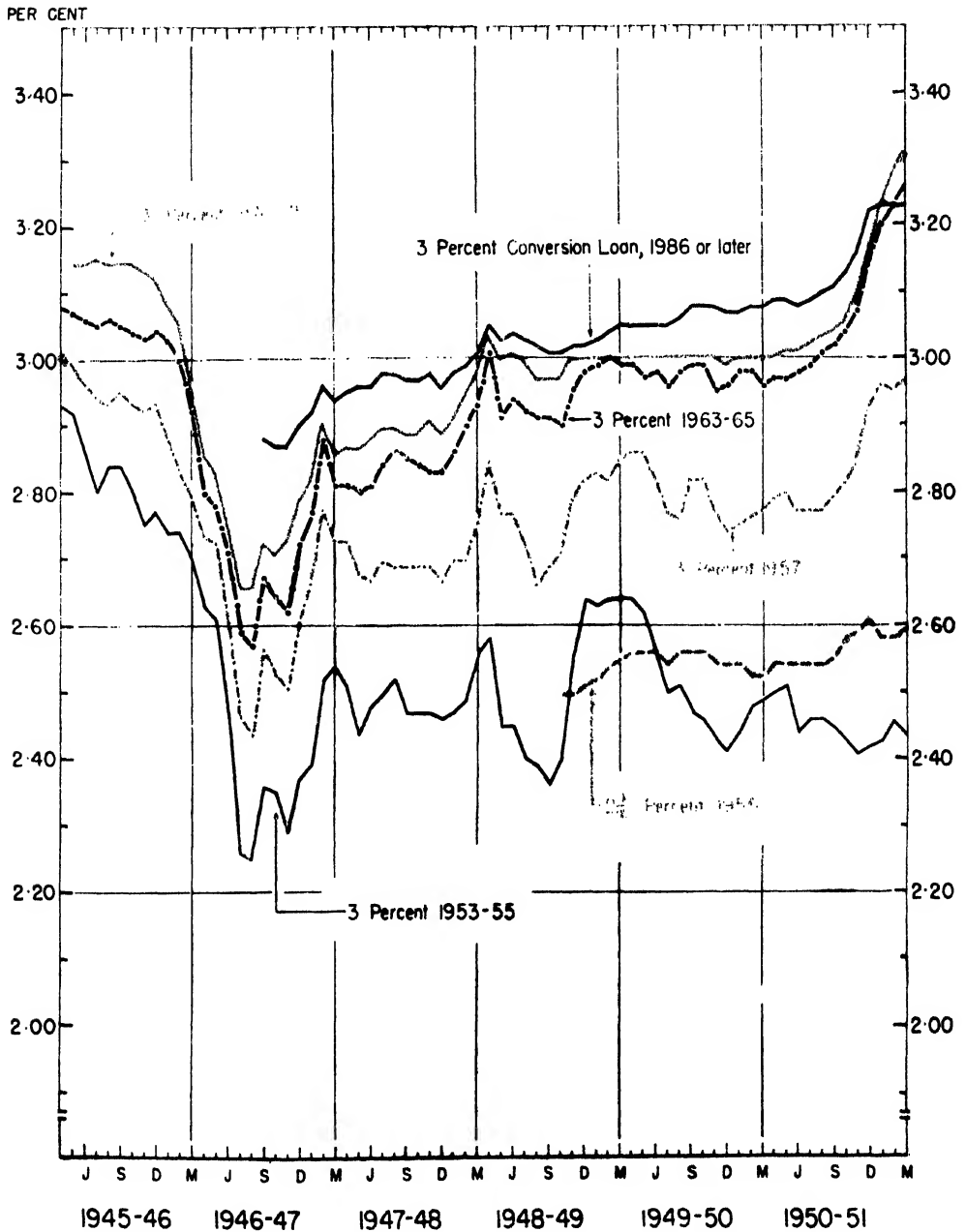
March 1951 over March 1950

Banks	+ 1·67	Iron and Steel	+ 19·73
Plantations	+ 38·28	Sugar	— 14·91
Textiles	+ 4·46	Cement	+ 7·09
Coal	+ 30·77	Jute	+ 48·61

40. *New Issues.*—The control over capital issues, first instituted in May 1943, continued during the year under review. Statements 48 and 49 give details of the working of the control. New issues (of 263 companies) sanctioned for the calendar year 1950 amounted to Rs. 74·75 crores as compared with Rs. 63·03

GRAPH 20

MONTHLY AVERAGE YIELDS ON SELECTED
GOVERNMENT OF INDIA SECURITIES

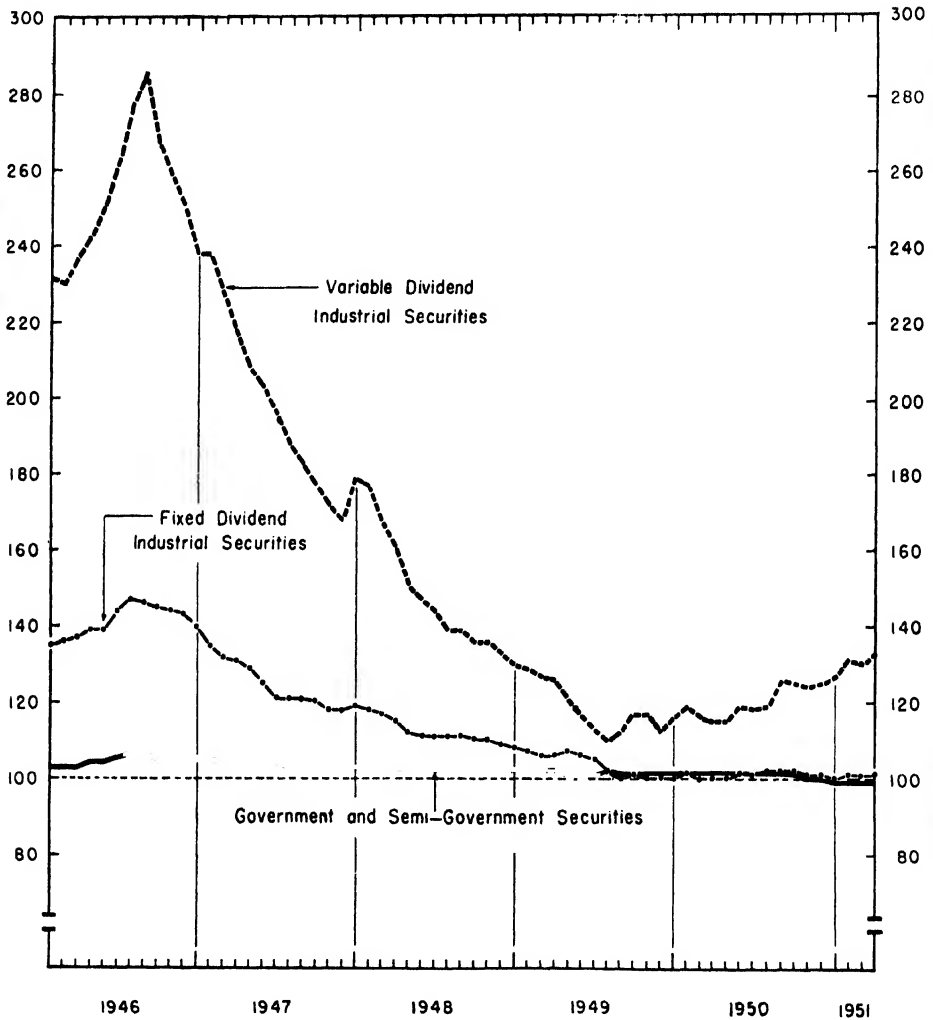


GRAPH 21

INDEX NUMBERS OF SECURITY PRICES

(ALL-INDIA)

Base:— 1938 = 100



crores (326 companies) in 1949 and Rs. 125·57 crores (375 companies) in 1948. It would appear that the declining postwar trend in the sanctioned amount of new issues has been arrested. There is no information of the amount of capital actually raised by these companies. But there has been some revival of new issue activity. Many leading companies floated debentures during the year at rates of interest ranging upto 6 per cent.

The Table below, based on data collected by the Reserve Bank of India, indicates the trends in regard to the paid-up capital and market value of share capital of companies quoted on the stock exchanges of Bombay, Calcutta and Madras.

(Crores of Rupees)

End of March	Ordinary Share Capital					Preference Share Capital				
	No. of Cos.	Paid-up Capital	Percent-age Variation	Market Value*	Percent-age Variation	No. of Cos.	Paid-up Capital	Percent-age Variation	Market Value*	Percent-age Variation
1949	833	227·14		379·33		291	44·56		51·86	
1950	829	230·15	+1·3	354·00	-6·7	292	44·94	+0·9	48·92	-6·0
1951	827	238·08	+3·4	433·67	+22·5	291	47·77	+6·3	52·38	+6·6

*Estimated on the basis of the Index Numbers of Security Prices.

41. *Industrial Finance Corporations.*—Loans and advances of the Industrial Finance Corporation of India, for the medium and long-term requirements of industry, amounted to nearly Rs. 5·21 crores at the end of March 1951 as against Rs. 3·15 crores at the end of the previous year and Rs. 29·90 lakhs at the end of March 1949. Correspondingly, the Corporation's investments in Government securities fell from Rs. 6·96 crores at the end of March 1950 to Rs. 4·58 crores at the end of March 1951. The total resources of the Corporation amounted to Rs. 10·31 crores.

On 13 December 1950, a Bill was introduced in the Union Parliament to enable State Governments to set up State financial corporations to assist medium and small scale industries in the States. The State financial corporations will supplement the work of the Industrial Finance Corporation of India. The limit of accommodation prescribed for the State corporations is Rs. 10 lakhs, as against Rs. 50 lakhs in the case of the Industrial Finance Corporation of India. The Bill lays down that the authorized capital of a State financial corporation shall be not less than Rs. 50 lakhs or not more than Rs. 2 crores. The Reserve Bank may subscribe to the share capital of a State corporation. Part of the share capital may be subscribed by the public.

V. PUBLIC FINANCE

42. *General.*—Details of the financial position of the Government of India are given in Statements 50, 51 and 54 and of States in Statements 52 and 53. The trends in revenue and expenditure of the Centre and of Part A States since 1945-46 are

indicated in Graphs 22 and 23. Statement 65 gives the maturity-pattern of India's rupee debt since 1913-14, while trends in the public debt and interest-bearing obligations and interest-yielding assets of the Government of India are indicated in Statement 66 and Graph 26. Data relate to undivided India for the years 1938-39 to 1946-47 and to the Indian Union for subsequent years.

A feature of the finances of the Government of India is the buoyancy of revenues which, despite increasing expenditures, has resulted in surpluses in the revenue part of the Budget of Rs. 44·48 crores, Rs. 50·84 crores, Rs. 33·27 crores, Rs. 7·93 crores and Rs. 26·10 crores in 1947-48*, 1948-49*, 1949-50*, 1950-51 (revised) and 1951-52 (budget), respectively. The revenue surpluses have helped to finance part of the capital expenditure. However, as the deficits on capital account have been consistently large, the overall deficit of the Central Government, as reflected in the depletion of their cash balances, is placed at Rs. 43·80 crores, Rs. 54·06 crores and Rs. 51·88 crores in 1949-50, 1950-51 (revised) and 1951-52 (budget), respectively. The actual cash balance as at the end of March 1951 was Rs. 151 crores (*vide* Statement 59) as against Rs. 95 crores shown in the Budget Statement: from this it would appear that the Centre had no overall deficit in 1950-51. There is an estimated depletion of Rs. 119 crores in cash balances from Rs. 270 crores immediately after the Partition to Rs. 151 crores at the end of March 1951. In so far as the 'improvement' in the budgetary position for 1950-51 was due to a 'throw-forward' of certain items of expenditure, the overall deficit in 1951-52 may be larger.

Additional taxation by the Central Government in 1951-52 amounts to Rs. 50·74 crores, including Rs. 19·10 crores from the enhancement of railway fares. This was deemed necessary to avoid large scale deficit-financing and to maintain a safe cash balance position.

Estimated revenue and expenditure of States, Part A and Part B together, for 1951-52 are Rs. 389 crores and Rs. 393 crores, respectively, expenditure being larger than the expenditure of the Central Government for the same year. The overall deficit of the States is of the order of Rs. 75 crores in 1951-52.

Total estimated revenue of the Central and State Governments for 1951-52 is placed at Rs. 758 crores, of which tax revenue is Rs. 633 crores or 84 per cent. The *per capita* taxation of Central and State Governments in 1951-52 is Rs. 18. Income-tax collections (including agricultural income-tax) at Rs. 169 crores account for 27 per cent of total tax revenue. Revenue expenditure of Central and State Governments amounts to Rs. 735 crores, of which security services and social services account for Rs. 310 crores and Rs. 150 crores, or 42 per cent and 20 per cent, respectively. The estimated capital outlay of the Central and State Governments for 1951-52 is Rs. 313 crores.

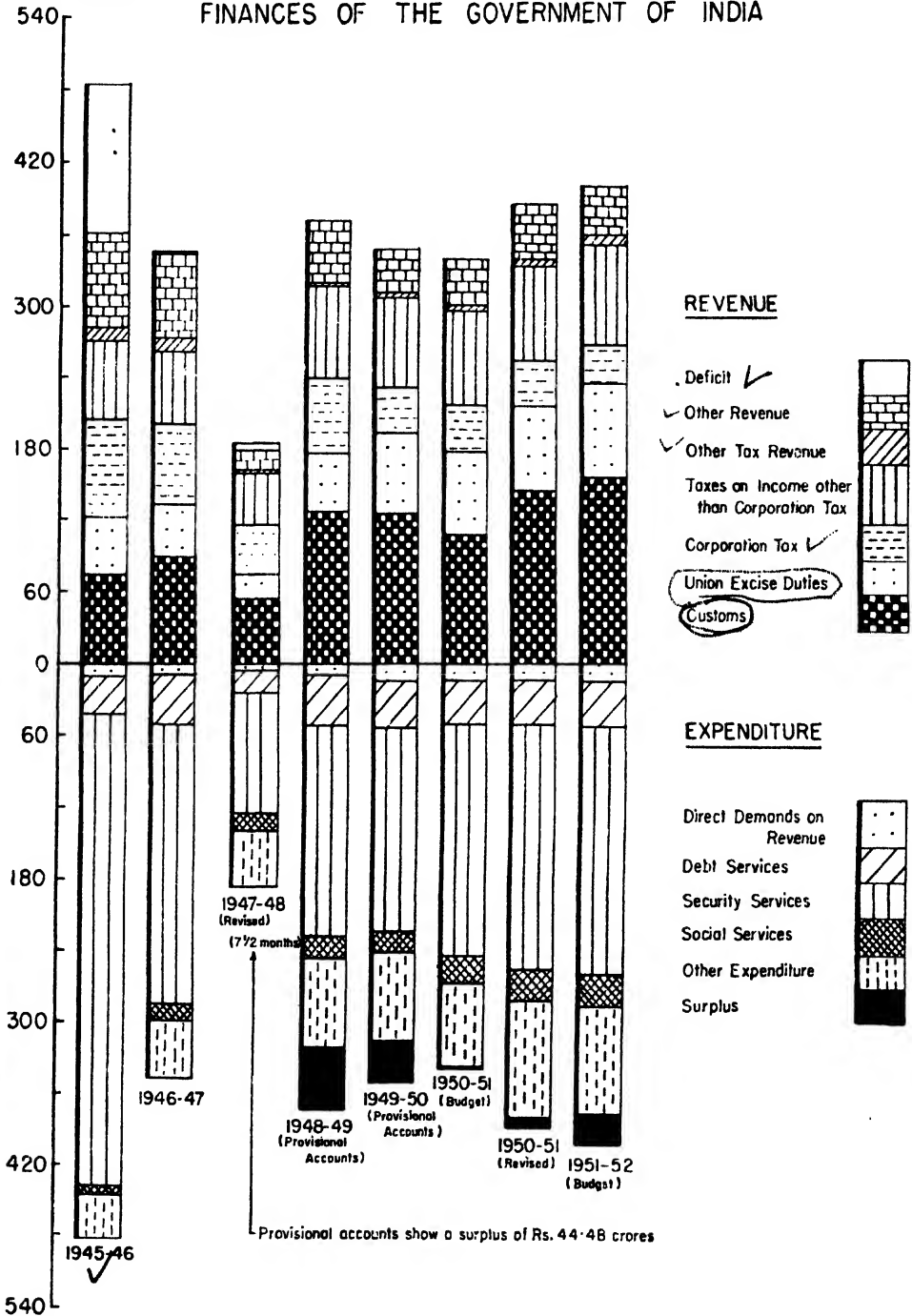
As at the end of March 1951, interest-bearing obligations of the Government of India aggregated Rs. 2,562 crores; total interest-yielding assets were Rs. 1,681 crores or 65·6 per cent of interest-bearing obligations. The gross total debt of Part A States was Rs. 254·29 crores as at the end of March 1951, of which permanent debt was Rs. 58·29 crores and loans from the Central Government Rs. 149·33 crores.

* According to provisional accounts.

GRAPH 22

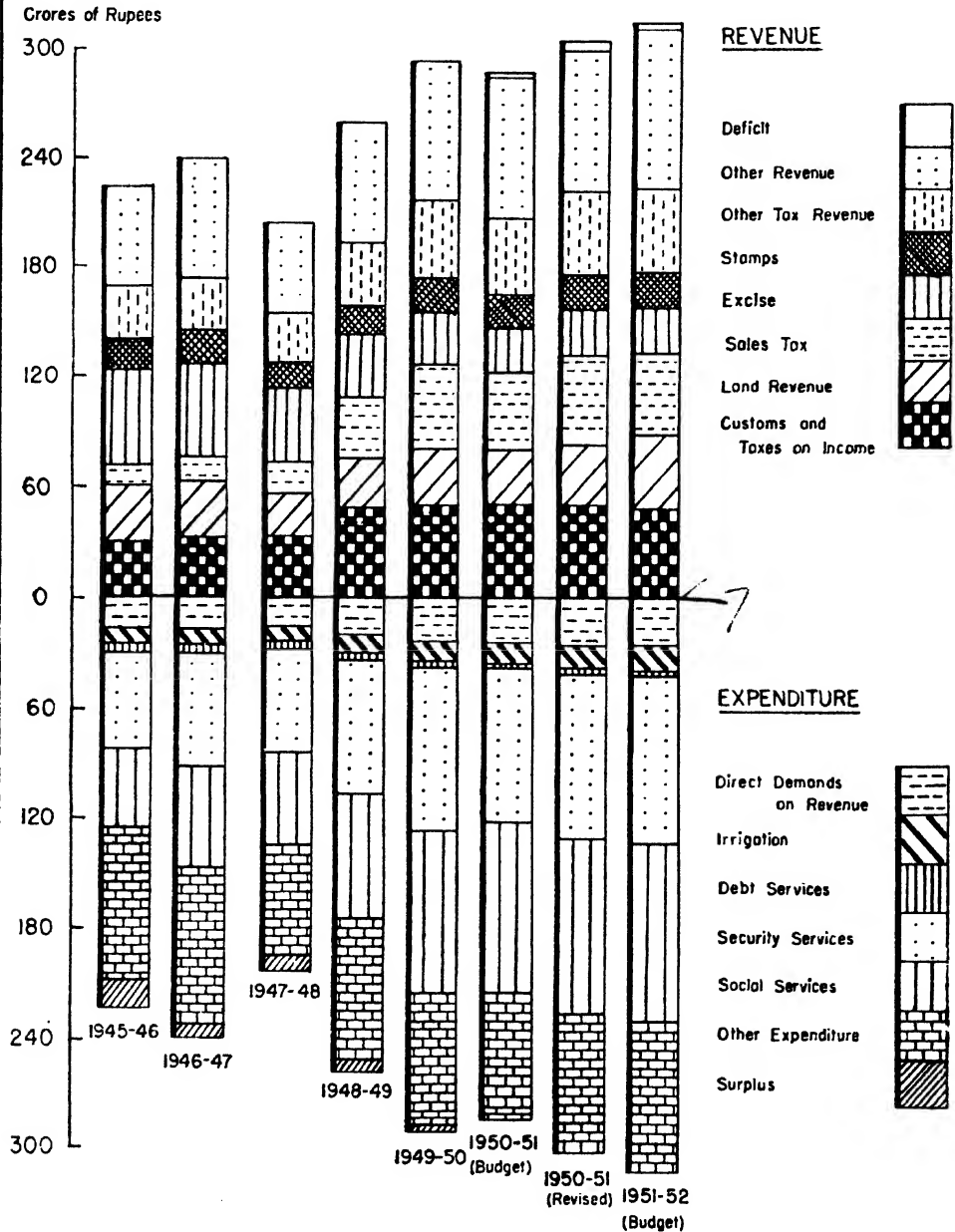
Crores of Rupees

FINANCES OF THE GOVERNMENT OF INDIA



GRAPH 23

BUDGETARY POSITION OF PART A STATES



A. BUDGETS

CENTRAL GOVERNMENT :

43. *1949-50, Accounts.*—The provisional accounts of the Government of India for 1949-50 place total revenue at Rs. 350·39 crores and total expenditure at Rs. 317·12 crores with a revenue surplus of Rs. 33·27 crores, as against a deficit of Rs. 3·74 crores in the revised estimates. Compared to the revised estimates for the year, revenue was Rs. 18·03 crores larger, while expenditure was Rs. 18·98 crores less. The improvement in revenue was mainly under Customs and Income-tax ; the reduction in expenditure was mainly under Defence Services, outlays on which were placed at Rs. 148·86 crores in the provisional accounts as against Rs. 170·06 crores in the revised estimates.

44. *1950-51, Revised Estimates.*—The revised estimates for 1950-51 place revenue and expenditure at Rs. 387·21 crores and Rs. 379·28 crores, respectively, or Rs. 48·62 crores and Rs. 41·40 crores higher than in the budget estimates, with a revenue surplus of Rs. 7·93 crores as compared with a nominal surplus of Rs. 71 lakhs originally budgeted for. The principal increase in revenue was under Customs, namely, Rs. 38·77 crores, attributable to a liberalisation of imports, following an improvement in the balance of payments position, and to the revised export duties levied during the year (referred to below). Central excise duties were less by Rs. 1·82 crores. There was an increase of Rs. 3·35 crores in the receipts under Currency and Mint. Total tax revenue collected by the Centre, including States' share of income-tax, was Rs. 387·96 crores, as compared with Rs. 350·04 crores according to the budget estimates.

During 1950-51, new export duties were levied on cotton waste and raw wool on 8 November 1950, the rates being 50 per cent *ad valorem* and 30 per cent *ad valorem*, respectively. The duty on the former was reduced to 20 per cent on 23 November 1950, but was raised again to 50 per cent on 1 March 1951. Existing rates of export duties were increased in respect of (1) jute hessians, from Rs. 350 per ton to Rs. 750 per ton on 21 October 1950 and further to Rs. 1,500 per ton on 20 November, (2) jute sacking, from Rs. 50 per ton to Rs. 150 per ton on 20 November 1950 and to Rs. 350 per ton on 30 March 1951 and (3) raw cotton, from Rs. 100 per bale to Rs. 400 per bale on 8 November 1950.

Civil expenditure accounts for Rs. 29·94 crores of the increase in expenditure (Rs. 41·40 crores), the bulk of it being in respect of the relief and rehabilitation of displaced persons (Rs. 7·67 crores), food subsidies and procurement bonus payments (Rs. 11·77 crores), pre-Partition payments (Rs. 2·64 crores), loss on supply of foodgrains to Delhi (Rs. 2·3 crores) and "revenue gap" grants to Part B States (Rs. 60 lakhs). Expenditure on Defence Services at Rs. 179·47 crores showed an increase of Rs. 11·46 crores over the original estimate.

45. *1951-52, Budget Estimates.*—Estimates of expenditure debitable to revenue for 1951-52 include grants to States for Grow More Food schemes (Rs. 5·31 crores) and development grants to Part B States (Rs. 3 crores), and the cost of aircraft for Defence Services which were hitherto charged to capital. Total revenue for 1951-52 was estimated at Rs. 369·89 crores and expenditure at Rs. 375·43 crores, at the existing levels of taxation, with a deficit of Rs. 5·54 crores. The estimated

deficit on capital account being Rs. 77·83 crores, the overall deficit for 1951-52, including a net outgo of Rs. 15 lakhs under miscellaneous items, was placed at Rs. 83·52 crores. In an effort to cover part of the deficit, fresh taxation measures (indicated below) were proposed to yield an additional revenue of Rs. 31·15 crores, converting the revenue deficit into a surplus of Rs. 25·61 crores.

Proposals	Estimated additional yield (Crores of Rupees)
(1) Increase in the rate of corporation tax from 2½ annas to 2½ annas	2·25
Reduction from 2 annas to 1½ annas in the rebate of super tax to life insurance companies in respect of profits accruing to shareholders	—
(2) A surcharge of 5 per cent, exclusively for Central purposes, on all income-tax and super tax rates, excluding corporation tax	6·00
(3) An increase of 5 per cent in the surcharge on all items in the import schedule except such of them as are governed by specific agreements and extension of the surcharge at 5 per cent to articles hitherto exempted	2·00
(4) A 50 per cent increase in the existing 100 per cent surcharge on import duty on ale, beer, spirits and other fermented liquor	0·40
(5) Rationalisation of the incidence of import duties on mineral oils other than motor spirit and kerosene	0·60
(6) Levy of a 10 per cent <i>ad valorem</i> export duty on coarse and medium cloth	2·50
(7) Levy of an export duty of Rs. 80 per ton on groundnut kernel	1·50
(8) Higher export duties on black pepper and cotton waste*	1·75
(9) A 5 per cent surcharge on excise duties on motor spirit and kerosene	0·15
(10) Rationalisation and increases of tobacco excise duties	13·00
(11) Imposition of sales tax in Delhi	1·00
Total ..	31·15

* The rates were announced by Executive Order.

In accordance mainly with the recommendations of the Select Committee, the following changes in the original tax proposals were incorporated in the Finance Act, 1951 : (1) exemption from surcharge of incomes not exceeding Rs. 7,200 in the case of a person other than a company and Rs. 14,400 in the case of Hindu undivided families, (2) continuance of super tax rebate at the old rate of 2 annas in the rupee for mutual insurance companies, which do not distribute any dividend, (3) exemption of kerosene from a surcharge of 5 per cent on excise duty, (4) fixing of the maximum import duty on mineral oils like lubricating and diesel oils at 15 per cent *ad valorem* as against 20 per cent as proposed, (5) certain concessions in the proposed rates of tobacco excise and (6) enhancement of the export duty on jute sacking from Rs. 150 per ton to Rs. 350 per ton (referred to earlier). The net effect of the tax concessions was to reduce the proposed additional tax revenue by about Rs. 6 crores. Of this loss, the changes in the proposed tobacco excise duties accounted for over Rs. 5 crores. The loss on account of the tax concessions was more than offset by a rise in customs revenue from Rs. 150·04 crores to Rs. 156·04 crores following the increase in the duty on exports of jute sacking. Additional tax revenue provided in the Finance Act was placed at Rs. 31·64 crores, as compared with Rs. 31·15 crores anticipated in the budget proposals. The additional tax revenue is made up of receipts from income-tax Rs. 7·90 crores, from customs duties Rs. 14·75 crores, from excise duties Rs. 7·99 crores and from sales tax in Delhi Rs. 1 crore. Allowances being made for fresh taxation, the revenue part of the budget for 1951-52 shows a surplus of Rs. 26·10 crores, with receipts at Rs. 401·89 crores and expenditure at Rs. 375·79 crores.

Taking into account the effect of new taxation, customs revenue in 1951-52 is placed at Rs. 156·04 crores, including a full year's effect of the higher export duties levied in 1950-51. Central excise duties are placed at Rs. 79·62 crores, or Rs. 9·94 crores higher than in 1950-51. At the prevailing rates of taxation, total income-tax receipts were estimated at Rs. 157·05 crores, or Rs. 9·75 crores less than in 1950-51, mainly due to a gradual disappearance of receipts of arrears in respect of excess profits tax, business profits tax and the Central surcharge on income-tax and the reduced profits in 1950 in the textile industry. Including the effects of the tax changes, income-tax collections are now placed at Rs. 164·95 crores, of which the States' share is Rs. 47·53 crores, leaving Rs. 117·42 crores for the Centre. Income tax collections in 1951-52 represent 40·4 per cent of the total tax revenue of Rs. 408·12 crores collected by the Centre, as compared with 22·9 per cent in 1938-39, 50·2 per cent in 1948-49, 45·1 per cent in 1949-50 and 43·0 per cent in 1950-51. Of the receipts of Rs. 12·32 crores under Currency and Mint, surplus profits of the Reserve Bank account for Rs. 9·5 crores. The fixed dividend payable to General Revenues by the Railways in 1951-52 is Rs. 33·38 crores, of which Rs. 26·12 crores is towards interest on capital-at-charge, while the balance of Rs. 7·26 crores represents the Railways' contribution to General Revenues.

Of a total revenue expenditure of Rs. 375·79 crores, Defence Services account for Rs. 180·02 crores (which is Rs. 55 lakhs larger than the revised estimates for 1950-51) or 47·9 per cent. Civil expenditure for the budget year is estimated at Rs. 195·77 crores (which is Rs. 4·04 crores less than the revised estimates for 1950-51) or 52·1 per cent of the total. If allowance is made for the fact that the estimates for civil expenditure include grants to States amounting to Rs. 8·31 crores, which had been hitherto charged to capital, estimates of civil expenditure in 1951-52 represent Rs. 12·35 crores less than the revised estimates for 1950-51. Of this difference, Rs. 9·75 crores are in respect of food subsidies and bonus payments on procurement of foodgrains, total outlays on which in 1951-52 are placed at Rs. 25·32 crores as compared with Rs. 35·07 crores in 1950-51 (revised)*. Expenditure on displaced persons at Rs. 9·86 crores is Rs. 3·81 crores less than in the previous year. The estimates of expenditure for 1951-52 show increases under a number of heads; they are, however, largely offset by an economy cut of Rs. 5 crores which has been distributed under different heads. The main heads of revenue and expenditure of the Government of India for 1938-39 and for the postwar years beginning with 1948-49 are given in Statement 50.

46. *Capital Budget*.—The receipts and disbursements of the Government of India, on capital account since 1948-49 are given in Statement 54. Accounts (provisional) for 1949-50 place receipts at Rs. 182·01 crores and disbursements at Rs. 262·06 crores with a deficit of Rs. 80·05 crores, as compared with a deficit of Rs. 120·30 crores in the revised estimates for the year. The disbursements include payments of Rs. 79 crores to the IMF and IBRD to meet the enhanced obligations in respect of the rupee part of India's subscriptions to these institutions and the rupee payment to the IMF for dollars purchased, consequent upon the devaluation of the Indian rupee; the receipts side, too, was correspondingly inflated, as an accounting necessity, by the issue of non-negotiable, non-interest-bearing securities, in which form the payments were made.

The revised estimates for 1950-51 place capital receipts and disbursements at Rs. 134·65 crores and Rs. 201·62 crores, respectively (as against budget estimates

* The subsidy and bonus provision for 1951-52 is Rs. 4·32 crores larger than the original budget provision for 1950-51.

of Rs. 127·77 crores and Rs. 151·71 crores), with a deficit of Rs. 66·97 crores (compared with a deficit of Rs. 23·94 crores as originally estimated). The increase in the deficit is mainly due to a shortfall in loan receipts and increases in advances to States and in capital outlays. As a measure of economy, grants and advances to States, which had amounted to Rs. 71·78 crores in 1949-50, were placed at Rs. 44·40 crores in the budget estimates for 1950-51. In the revised estimates, however, they amounted to Rs. 72·18 crores.

On the receipts side, realisations from loans at Rs. 38·97 crores are Rs. 46·39 crores lower than had been estimated. Net Treasury bill receipts amount to Rs. 10 crores ; on the other hand, Treasury Deposit Receipts show a net outgo of Rs. 7·50 crores. Inclusive of receipts of Rs. 3 crores from Treasury Savings Deposit Certificates since 1 February 1951, small savings are placed at Rs. 31·28 crores as compared with Rs. 27·85 crores in the budget estimates. Net realisations from the sale of securities in the Cash Balance Investment Account amounted to Rs. 23·33 crores as against an estimated amount of Rs. 10 crores. There was a net outgo of Rs. 2·79 crores in 1949-50 under this head. On the disbursements side, apart from the main increase in advances to States, certain other capital outlays including railways, industrial development, and defence showed increases amounting to Rs. 10·22 crores ; this was, however, offset in part by a decrease in grants to States from Rs. 9·59 crores to Rs. 5·50 crores. Allowing for the self-balancing provision of Rs. 15 crores in respect of the Contingency Fund, revised estimates place total receipts and disbursements on capital account at Rs. 119·65 crores and Rs. 186·62 crores, respectively, in 1950-51 with a deficit of Rs. 66·97 crores.

Capital budget estimates of receipts and disbursements for 1951-52 show sizable increases over 1950-51 (revised) and are placed at Rs. 165·33 crores and Rs. 243·16 crores, respectively, with a deficit of Rs. 77·83 crores as against a deficit of Rs. 66·97 crores in the previous year. The provision for the discharge of permanent debt amounts to Rs. 90·71 crores, compared with Rs. 47 crores in 1950-51 ; new loan receipts are estimated at Rs. 104·84 crores, comprising Rs. 100 crores in internal loans and Rs. 4·84 crores of IBRD loan drawings. Thus, net receipts under permanent debt are placed at Rs. 14·13 crores in 1951-52, as against a net repayment of Rs. 8·03 crores in 1950-51. Including transactions in respect of the Cash Balance Investment Account, net loan receipts are estimated at Rs. 19·13 crores, as compared with Rs. 15·30 crores in 1950-51. Small savings are expected to amount to Rs. 30·86 crores in 1951-52 as against Rs. 28·28 crores in 1950-51. Credit is taken in the budget estimates for Rs. 12 crores under Treasury Savings Deposits. Net borrowings* are estimated at Rs. 61·99 crores in 1951-52 as against Rs. 49·08 crores in 1950-51.

Capital outlay is placed at Rs. 75·32 crores in 1951-52, which may be compared with Rs. 63·45 crores in 1950-51 (revised) and Rs. 41·27 crores in 1949-50. Grants to States, totalling Rs. 8·31 crores, are transferred from capital to revenue account in 1951-52. The main increases in capital outlay, as compared with the revised estimates for 1950-51, are in respect of schemes of State trading (from Rs. 1·85 crores to Rs. 13·68 crores), defence capital outlay (from Rs. 5·75 crores to Rs. 12·97 crores†) and civil works (from Rs. 9·94 crores to Rs. 12·47 crores), while the main decrease is in respect of railways (from Rs. 24·13 crores to Rs. 19·62 crores).

* Loans, Treasury bills, TDRs, Treasury Savings Deposits and small savings, including Cash Balance Investment Account and external borrowings.

† The provision for defence capital outlay is Rs. 14·97 crores and credit is taken for Rs. 2 crores on account of sales of surplus stores.

Loans and advances by the Central Government to States and others are placed at Rs. 67·89 crores, as against Rs. 57·84 crores in 1950-51 and Rs. 55·57 crores in 1949-50*. Advances to State Governments are mainly for irrigation works (Rs. 27·17 crores), rehabilitation of displaced persons (Rs. 16 crores), Grow More Food schemes (Rs. 8 crores) and miscellaneous development (Rs. 7·5 crores).

The estimated total disbursements of the Government of India under revenue and capital for 1951-52 amount to Rs. 618·95 crores, as against Rs. 565·90 crores in 1950-51 (revised, excluding Contingency Fund) and Rs. 500 crores in 1949-50 (provisional accounts, excluding payments to the IMF and IBRD)†. Total defence expenditure (net) at Rs. 192·99 crores represents 31·2 per cent of estimated total disbursements for 1951-52. The provision for development expenditure is Rs. 91·95 crores, comprising Rs. 17·70 crores on revenue account and Rs. 74·25 crores on capital account, or 14·9 per cent of total disbursements. Estimated expenditure in 1951-52 on the relief and rehabilitation of displaced persons is Rs. 34·86 crores as compared with Rs. 37·27 crores in 1950-51 (revised). Income-tax allocations, grants and advances to Part A and Part B States by the Centre in 1951-52 amount to Rs. 113·36 crores. The overall deficit‡, as reflected in the depletion of cash balances, is placed at Rs. 51·88 crores in 1951-52, Rs. 54·06 crores in 1950-51 and Rs. 43·80 crores in 1949-50 (*vide* Table below). The cash balance of the Government of India at the end of March 1951 amounted to Rs. 151 crores, against Rs. 95 crores shown in the revised estimates. The increase is attributable mainly to larger revenue receipts under Customs and "throwforward" of certain items of expenditure. Such "throwforward" of expenditure is likely to raise the overall deficit for 1951-52.

NET RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT

(Crores of Rupees)

	1949-50 Provisional Accounts	1950-51 Budget	1950-51 Revised	1951-52 Budget §
RECEIPTS				
Revenue Surplus	33·27	0·71	7·93	26·10
Surplus on Capital Account	—	—	—	—
Miscellaneous Deposits and Advances (net)	4·03	4·63	3·88	—
Remittances (net)	—	1·00	0·70	1·30
Transfer of Cash between England and India (net)	0·54	—	0·40	—
Total Receipts ..	37·84	6·34	12·91	27·40
Opening Balance ..	193·28	95·38	149·48	95·42
DISBURSEMENTS				
Revenue Deficit	—	—	—	—
Deficit on Capital Account	80·05	23·94	66·97	77·83
Miscellaneous Deposits and Advances (net)	—	—	—	1·45
Remittances (net)	1·59	—	—	—
Transfer of Cash between England and India (net)	—	—	—	—
Total Disbursements ..	81·64	23·94	66·97	79·28
Closing Balance ..	149·48	77·78	95·42	43·54
Overall Deficit	43·80	17·60	54·06	51·88

§ As passed by Parliament.

*Net of repayment of loans to the Centre.

†Including provision for discharge of permanent debt, of Rs. 68·77 crores in 1949-50, Rs. 47·00 crores in 1950-51 and Rs. 90·71 crores in 1951-52.

‡Allowing for net miscellaneous deposits and advances, remittances, and transfer of cash between England and India.

STATE GOVERNMENTS :

Finances of Part A States

47. *General.*—Details of revenue and expenditure and debt position of Part A States for 1938-39 and since 1947-48 are given in Statement 52, while the broad trends in finances of these States since 1945-46 are depicted in Graph 23. The budgetary position of Part A States, on revenue account, for the years 1949-50, 1950-51 and 1951-52 is given below:—

(Crores of Rupees)

	1949-50 Accounts	1950-51 Budget	1950-51 Revised	1951-52 Budget
Revenue	291·31	282·56	296·58	308·81
Expenditure	287·29	284·29	301·96	311·61
Surplus (+) or Deficit (—)	+4·02	—1·73	—5·38	—2·80

48. *1949-50, Accounts.*—With revenue and expenditure at Rs. 291·31 crores and Rs. 287·29 crores, respectively, the accounts for 1949-50 showed a revenue surplus of Rs. 4·02 crores, as against surpluses of Rs. 2·47 crores in the revised estimates for the year, Rs. 8·58 crores for 1947-48 and of Rs. 7·39 crores for 1948-49. Actual revenue and expenditure were Rs. 3·75 crores and Rs. 5·30 crores lower, respectively, than the revised estimates for the year. Allowing for transfers from reserves to revenue of Rs. 2·29 crores in Uttar Pradesh, of Rs. 2 crores from revenue to the Reconstruction and Development Fund in Bihar and of Rs. 1·48 crores from revenue to reserves in Madhya Pradesh, total revenue and expenditure for 1949-50 would be Rs. 289·02 crores and Rs. 283·81 crores, respectively, with a surplus of Rs. 5·21 crores.

49. *1950-51, Revised Estimates.*—The revised estimates of Part A States for 1950-51 place expenditure, revenue and the deficit higher than the budget estimates. Revenue at Rs. 296·58 crores and expenditure at Rs. 301·96 crores show increases of Rs. 14·02 crores and Rs. 17·67 crores, respectively, with a deficit, on revenue account, of Rs. 5·38 crores as against Rs. 1·73 crores budgeted for. Allowing for transfers from reserves*, total revenue and expenditure for 1950-51 would be Rs. 291·95 crores and Rs. 297·96 crores, respectively, with a deficit of Rs. 6·01 crores. West Bengal accounted for the largest deficit, namely, Rs. 5 crores, followed by Orissa and the Uttar Pradesh with deficits of Rs. 1·94 crores and Rs. 1·36 crores, respectively. Compared to the budget estimates, all Part A States show increased expenditure, particularly West Bengal, Bombay, Madras, Orissa and Madhya Pradesh. The revised estimates of revenue are also higher than the budget estimates for most of the States, particularly for Madras and Bombay. The increase in revenue is largely in sales tax receipts, mainly as a result of the operation of the Constitutional restrictions under Article 286 in regard to sales taxation having been deferred : the revised estimate of sales tax revenue at Rs. 49·26 crores exceeded the budget estimate by Rs. 7·97 crores. Income-tax allocation from the Central Government was larger by Rs. 84 lakhs. Total tax revenue for 1950-51 is placed at Rs. 219·75 crores in the revised, as against Rs. 206·25 crores in the budget estimates.

* Bihar did not transfer Rs. 2 crores from the Postwar Reconstruction Fund to revenue in 1950-51 as was originally proposed. The withdrawal from the Reconstruction and Development Fund of Rs. 4 crores in 1950-51 and of Rs. 2 crores in 1951-52 by Bombay to finance capital expenditure, in part, is initially shown on both sides of the revenue account for technical reasons and does not affect the State's revenue deficit, though revenue and expenditure figures must be reduced by these amounts. Madhya Pradesh transferred Rs. 63 lakhs from reserves.

50. *1951-52, Budget Estimates.*—The postwar trend of increasing revenues and expenditures is maintained in the budget estimates for 1951-52 also. With revenue and expenditure at Rs. 308·81 crores and Rs. 311·61 crores, respectively, the estimated deficit for 1951-52 is Rs. 2·80 crores. There are transfers from reserves to revenue of Rs. 11 crores in Bihar, Rs. 2 crores in Bombay (shown on both sides of the revenue account) and Rs. 96 lakhs in Madhya Pradesh. Adjusting for these transfers, total revenue and expenditure amount to Rs. 294·85 crores and Rs. 309·61 crores, respectively, with a deficit of Rs. 14·76 crores. Each of the Part A States has a deficit, large or small, except Bombay which has a nominal surplus of Rs. 4 lakhs. Adjusting for the proposed transfer of Rs. 11 crores in Bihar from reserves to revenue, the State actually has a deficit of Rs. 6·16 crores, though the budget shows a surplus of Rs. 4·84 crores. The estimated deficit of Rs. 4·76 crores for West Bengal may be reduced by Rs. 1·50 crores, if the tax proposals are adopted.

As compared with the revised estimates for 1950-51, estimated expenditure for 1951-52 is higher for the Punjab, Assam, Madras, Madhya Pradesh, Bihar and Uttar Pradesh by Rs. 53 lakhs, Rs. 66 lakhs, Rs. 1·23 crores, Rs. 2·77 crores, Rs. 4·05 crores and Rs. 8·09 crores, respectively. The budgeted expenditure of Uttar Pradesh includes Rs. 4·43 crores to be transferred from the anticipated increase in land revenue to the Zamindari Abolition Fund and Rs. 68 lakhs to be paid to district boards in respect of local rates collected along with land revenue; excluding these special items, the increase in expenditure of Uttar Pradesh is Rs. 2·98 crores. Bihar has budgeted for a provision of Rs. 2·31 crores under famine, as against Rs. 38 lakhs in 1950-51.

Estimated expenditures of the States on social services and security services in 1951-52 are Rs. 96·09 crores and Rs. 90·40 crores, respectively, or 31 per cent and 29 per cent of the total, as compared with 26 per cent and 33 per cent, respectively, in 1938-39. In 1951-52, expenditures on social services and security services are, respectively, higher by Rs. 90 lakhs and Rs. 1,01 lakhs than in 1950-51 and by Rs. 9·03 crores and Rs. 82 lakhs than in 1949-50. Education accounts for Rs. 45·69 crores in 1951-52 or 47 per cent of the total provision for social services. Both in 1950-51 and 1951-52, education has a larger allotment than any other item of social services in all States except West Bengal. In West Bengal, expenditure on medical and public health services claims the largest share. Medical and public health services account for Rs. 21·72 crores or 23 per cent of total expenditure of the States on social services in 1951-52.

Tax revenues of Part A States have risen from Rs. 215·76 crores in 1949-50 to Rs. 219·75 crores in 1950-51 and to an anticipated total of Rs. 222·03 crores in 1951-52. The estimated total land revenue for 1951-52 shows a rise of Rs. 8·32 crores over 1950-51 (revised), of which Rs. 6·80 crores is accounted for by the larger receipts anticipated in Uttar Pradesh in consequence of the abolition of Zamindari. On the other hand, receipts from sales tax are lower at Rs. 44·35 crores against Rs. 49·26 crores in 1950-51*. Agricultural income-tax, stamps and excise show minor variations. Income-tax receipts (including agricultural income-tax), at Rs. 47·81 crores, are the largest single source of tax revenues of the States and represent 22 per cent of their total tax revenue; receipts from sales tax, land revenue and

*The estimate of sales tax receipts for 1951-52 shows a rise of Rs. 11·40 crores over 1949-50.

excise account for 20 per cent, 18 per cent and 11 per cent, respectively. 'Revenue gap' payments by the Centre to the States in respect of merged areas in 1951-52, as in 1950-51, amount to Rs. 1.96 crores, the respective shares of Bombay, Madhya Pradesh, Orissa, West Bengal and Bihar being Rs. 1.45 crores, Rs. 19 lakhs, Rs. 16 lakhs, Rs. 12 lakhs and Rs. 4 lakhs. The Table below gives the percentage distribution of tax revenue and revenue expenditure of Part A and Part B States among the major heads.

**PERCENTAGE DISTRIBUTION OF TAX REVENUE AND REVENUE
EXPENDITURE OF THE STATES**

			(Rupees in Lakhs)		
Part A States			Major Heads	Part B States*	
1949-50 (Accounts)	1950-51 (Revised)	1951-52 (Budget)	Tax Revenue	1950-51 (Revised)	1951-52 (Budget)
1.93 (0.89)	—	—	Customs	5.62 (11.43)	3.93 (7.74)
48.86 (22.65)	50.34 (22.91)	47.81 (21.53)	Taxes on Income	53 (1.08)	1.26 (2.48)
29.06 (13.47)	31.54 (14.35)	39.86 (17.95)	Land Revenue	12.90 (26.22)	13.17 (25.93)
46.30 (21.46)	49.26 (22.42)	44.35 (19.97)	Sales Tax	4.11 (8.36)	5.09 (10.02)
29.03 (13.45)	25.23 (11.48)	24.95 (11.24)	Excise	17.77 (36.13)	17.19 (33.84)
17.32 (8.03)	18.29 (8.32)	18.57 (8.36)	Stamps	2.34 (4.76)	2.42 (4.76)
215.76	219.75	222.03	Total Tax Revenue	49.19	50.80
			Expenditure		
24.01 (8.36)	25.51 (8.45)	24.94 (8.00)	Direct Demands on Revenue	6.48 (8.27)	7.34 (9.05)
10.93 (3.80)	13.69 (4.53)	14.62 (4.69)	Irrigation	2.50 (3.19)	3.26 (4.02)
2.90 (1.01)	2.54 (0.84)	2.80 (0.90)	Debt Services	4.85 (6.19)	4.21 (5.19)
89.58 (31.18)	89.39 (29.60)	90.40 (29.01)	Security Services	19.02 (24.27)	19.58 (24.13)
87.06 (30.30)	95.19 (31.52)	96.09 (30.84)	Social Services	23.47 (29.95)	26.00 (32.04)
287.29	301.96	311.61	Total Expenditure	78.37	81.14

Note.—Figures in brackets are percentages of the respective totals. * Excluding Rajasthan.

In the budget year, as in 1950-51, there are only minor tax changes. In Bombay, the Sales Tax Act is proposed to be amended to prevent evasion; this is expected to offset Rs. 1.90 crores of the estimated loss of Rs. 4.5 crores from the coming into effect from 1 April 1951 of Constitutional restrictions on the levy of sales tax on inter-State trade and commerce; a tightening of the administrative machinery by the Bombay Government for the collection of the stamp duty on transactions in commodity and other exchanges is expected to bring an additional

revenue of Rs. 35 lakhs. Some relief is proposed in the electricity duty on industries. The effect of these adjustments is taken into account by the Bombay Government in their budget estimates. In West Bengal, the proposed enhancement of the rates of taxation on motor vehicles is expected to yield Rs. 1·50 crores. In the Punjab, the entertainment tax is proposed to be raised from 3 annas to 4 annas in the rupee to yield an additional amount of Rs. 3 lakhs; tariffs for the supply of electrical energy from the Uhl River Hydro-electric Scheme are proposed to be increased to yield another Rs. 3 lakhs. Additional revenue from the tax proposals of West Bengal and the Punjab is not included in their revenue estimates.

51. *Capital Expenditure.*—Capital outlay in 1951-52 is placed substantially higher at Rs. 109·60 crores, compared with Rs. 68·88 crores in 1950-51 and Rs. 52·60 crores in 1949-50, representing an increase of Rs. 40·72 crores over 1950-51 and of Rs. 57 crores over 1949-50* (*vide* Table below). Multi-purpose river valley projects, irrigation, electricity, housing and compensation to Zamindars are among the more prominent items of capital expenditure. Estimated capital expenditure in 1951-52 is higher than in 1950-51 for every State except Madhya Pradesh†.

CAPITAL EXPENDITURE OF PART A STATES‡

					(Lakhs of Rupees)		
					1949-50 (Accounts)	1950-51 (Revised)	1951-52 (Budget)
Assam	..	..	..	..	—1,90 (—2,22)	—1,07 (—1,38)	—27 (—35)
Bihar	..	..	..	..	1,33 (—89)	3,38 (+14)	5,88 (+12)
Bombay	..	..	..	..	11,76 (+5,13)	4,26 (—3,15)	10,57 (+30)
Madhya Pradesh	..	..	..	..	2,07 (—2,07)	5,69 (+1,80)	3,46 (—1,04)
Madras	..	..	..	..	8,36 (—4,49)	15,52 (—2,94)	22,58 (—)
Orissa	..	..	..	..	3,32 (—37)	5,00 (—)	10,62 (—)
Punjab	..	..	..	..	12,46 (+1,11)	14,86 (—1,95)	25,44 (+55)
Uttar Pradesh	..	..	..	..	7,05 (—4,26)	12,52 (+2,58)	16,79 (+3,01)
West Bengal	..	..	..	..	8,15 (+2,23)	8,72 (—1,63)	14,53 (+10)
Total					52,60 (—5,83)	68,88 (—6,53)	109,60 (+2,09)

Note.—Figures in brackets are net receipts (—) or expenditure (+) in respect of schemes of State trading.
‡ Includes schemes of State trading but excludes appropriation to Contingency Fund.

* Figures for 1950-51 exclude provision for Contingency Fund. Capital expenditure in 1950-51 is revised to Rs. 68·88 crores from the original estimate of Rs. 84 crores: actual capital expenditure in 1949-50 also shows a reduction of Rs. 17·49 crores from the revised estimate of Rs. 70·09 crores.
† Excluding schemes of State trading, Madhya Pradesh also has a larger capital outlay.

Three States, West Bengal, Orissa and the Punjab, do not have any balances in Postwar Reconstruction or Revenue Reserve Funds. The outstanding balances of the other six States as at the end of each of the three years 1949-50 to 1951-52 are shown below :—

	1949-50 Accounts	End of (Lakhs of Rupees)	
		1950-51 Revised	1951-52 Budget
Assam†	1,01	98	1,00
Bihar	14,50	14,50	3,50
Bombay	17,29	13,29	11,29
Madhya Pradesh	11,49	8,10*	4,47*
Madras	33,50	33,20	18,00
Uttar Pradesh	13,00	13,00	13,00
Total	90,79	83,07	51,26

† Provisional. * Including special funds for merged areas of Rs. 2·62 crores and Rs. 1·73 crores at the end of 1950-51 and 1951-52, respectively. Rs. 6 crores in 1950-51 and Rs. 2·68 crores in 1951-52 are 'formally' adjusted as loans to finance expenditure.

The estimated net receipts of the States from borrowings amount to Rs. 85·47 crores in 1951-52 as against Rs. 68·05 crores in 1950-51 (revised), including in the respective years loans from the Centre (net) of Rs. 68·33 crores and Rs. 42·62 crores. The overall deficit of the States of Rs. 36·10 crores in 1950-51 (revised) was made up of Rs. 6·01 crores on revenue account and of Rs. 30·09 crores on capital account; this was met by running down the cash balances by Rs. 7·23 crores, by drawing upon the Cash Balance Investment Account by Rs. 18·08 crores and by the Uttar Pradesh Government drawing on the Zamindari Abolition Fund by Rs. 10·79 crores§. The estimated overall deficit for 1951-52 is placed at Rs. 66·27 crores (Rs. 14·76 crores on revenue account and Rs. 51·51 crores under capital and debt heads); this is proposed to be met by a depletion of Rs. 17·41 crores in the cash balances, by a reduction of Rs. 26·36 crores in the Cash Balance Investment Account, by the Uttar Pradesh Government drawing upon the Zamindari Abolition Fund by Rs. 7·50 crores and by a withdrawal of Rs. 15 crores‡ by Madras from the Revenue Reserve Fund.

52. *Income-tax and other Payments from the Centre to Part A States.*—Allocations to Part A States, in respect of receipts from taxes on income, other than corporation tax, in 1951-52, as in 1950-51, are made on the basis of the percentage shares prescribed in the Deshmukh Award (*vide* para. 51 of the Report for 1949-50). In both years, the jute producing States of West Bengal, Assam, Bihar and Orissa receive grants-in-aid, in lieu of a share in receipts of the export duty on jute, of Rs. 1·05 crores, Rs. 40 lakhs, Rs. 35 lakhs and Rs. 5 lakhs, respectively, as fixed in the Deshmukh Award. The Tables on page 85 give income-tax allocations and other payments made by the Centre to the States, while Statement 55 gives details of payments to each State.

§ The overall deficit of Uttar Pradesh amounted to Rs. 12·34 crores.

‡ The budget estimates of Madras for 1951-52 do not take into account any loan receipts from the market or from the Central Government. To the extent loan receipts become available, the deficit of Madras will be less.

In terms of Article 280 of the Constitution, a Finance Commission, to be set up during 1951-52, would examine and make recommendations *inter alia* on the distribution between the Centre and the States of the divisible net proceeds of income tax, the grants-in-aid payable to States and the basis of allocation of such payments among the States.

ALLOCATION OF INCOME-TAX PROCEEDS, SUBVENTIONS AND GRANTS-IN-AID TO PART A STATES

				(Crores of Rupees)			
Year			Income Tax	Jute Duty	Subventions	Other Grants-in-Aid	Total
1939-40*	..	..	2.79	2.56	3.03	—	8.38
1942-48*	..	..	10.90	1.40	2.75	0.01	15.06
1949-50	..	..	45.74	1.94	0.70	2.45	50.83
1950-51 (Revised)	..	..	47.38	—	6.10		53.48
1951-52 (Budget)	..	..	46.98†	—	6.71‡		53.69

* Figures relate to undivided India. † Inclusive of Rs. 2.5 crores on account of arrears in respect of previous years. ‡ Of this, Rs. 1.85 crores under Article 273 of the Constitution, in lieu of a share in jute duty, Rs. 70 lakhs under Article 275 (i) of the Constitution as grants-in-aid to Assam and Orissa, Rs. 1.96 crores as grants in respect of merger of States with Provinces, Rs. 1 crore lump sum provision for grants-in-aid under provisos to Article 275 (i), Rs. 1 crore for special assistance to States on account of natural calamities and Rs. 20 lakhs for grant to Orissa for construction of new capital.

STATES' SHARE OF INCOME-TAX

				(Crores of Rupees)		
				1951-52 Budget		
				1950-51 Revised	As presented to Parliament	As passed by Parliament
Taxes on Income other than Corporation Tax (excluding Central Surcharge and Advance payments)				100.60	94.72	94.72
<i>Deduct</i> —Portion attributable to taxes on federal emoluments and to Chief Commissioners' States and Miscellaneous receipts				4.15	3.82	3.82
<i>Deduct</i> —Share of cost of collection				1.69	1.94	1.94
Balance ..				94.76	88.96	88.96
<i>Deduct</i> —Amount to be retained by the Central Government				47.38	44.48	44.48
Amount payable to Part A States				47.38	44.48	44.48
<i>Add</i> —Previous year's arrears				—	2.50	2.50
Total				47.38	46.98	46.98

Finances of Part B States*

53. *1950-51, Revised Estimates.*—The total revenue and expenditure of Part B States for 1950-51 (revised), on revenue account, are placed at Rs. 78·53 crores and Rs. 78·37 crores, respectively, and show increases of Rs. 2·20 crores and Rs. 1·33 crores, respectively, over the budget estimates for the year, leaving a nominal surplus of Rs. 16 lakhs as compared with an anticipated deficit of Rs. 71 lakhs (*vide* Statement 53). Hyderabad, Mysore, Travancore-Cochin, Saurashtra and PEPSU have surpluses, the surplus of PEPSU being the largest at Rs. 60 lakhs; Madhya Bharat has a deficit of Rs. 1·03 crores.

54. *1951-52, Budget Estimates.*—Total revenue and expenditure for 1951-52 are placed at Rs. 80·56 crores and Rs. 81·14 crores, respectively, showing increases of Rs. 2·03 crores and Rs. 2·77 crores over 1950-51 and leaving a deficit of Rs. 58 lakhs. Hyderabad, Mysore, Travancore-Cochin and Madhya Bharat have deficits, the deficit of Mysore being the largest, namely, Rs. 38 lakhs. Saurashtra and PEPSU have nominal surpluses of Rs. 2 lakhs each. As compared with 1950-51, all States except PEPSU show increases in revenue, while all States except Madhya Bharat and PEPSU show increases in expenditure.

Total tax revenue of Part B States for 1951-52 is estimated at Rs. 50·80 crores, the contributions from excise being Rs. 17·19 crores, land revenue Rs. 13·17 crores, customs Rs. 3·93 crores, and sales tax Rs. 5·09 crores. Unlike in Part A States, excise constitutes the most important single source of revenue in Part B States, followed by land revenue; the sales tax is comparatively unimportant. Excise is the largest item of tax revenue for Hyderabad, Mysore, Travancore-Cochin and PEPSU, and land revenue for Madhya Bharat and Saurashtra. The abolition of internal customs is scheduled to take place gradually, to enable the States to develop alternative sources of revenue such as sales taxation. 'Revenue gap' payments†, by the Centre, to Hyderabad, Mysore, Travancore-Cochin and Saurashtra are placed at Rs. 9·91 crores. PEPSU, Madhya Bharat and Rajasthan will receive Rs. 55 lakhs as their share of income-tax collections, as they do not have a 'revenue gap' as a result of federal financial integration (*vide* para. 50 of last year's Report).

REVENUE GAP PAYMENTS AND INCOME-TAX ALLOCATIONS BY THE CENTRE‡

	Revenue Gap			(Lakhs of Rupees) Income-tax Allocation	
	1950-51 (Revised)	1951-52 (Budget)		1950-51 (Revised)	1951-52 (Budget)
Hyderabad	.. 1,15·71	1,15·71	Madhya Bharat	.. 6·00	16·00
Mysore	.. 3,45·00	3,45·00	PEPSU	.. 16·00	22·00
Saurashtra	.. 2,50·00	2,50·00	Rajasthan	.. 8·00	17·00
Travancore-Cochin	.. 2,80·00	2,80·00			
Total	.. 9,90·71	9,90·71	Total	30·00	55·00

As provided for in the Central Budget.

* Excluding Rajasthan for which data are not available.

† The net loss arising from the transfer of federal items of revenue and expenditure to the Centre calculated by reference to a given base period.

Social services and security services, in Part B States, account for Rs. 26·00 crores and Rs. 19·58 crores or 32 per cent and 24 per cent, respectively, of the total expenditure in 1951-52, showing increases of Rs. 2·53 crores and Rs. 56 lakhs, respectively, over the revised estimates for 1950-51. The provision for social services is larger than for security services in Mysore and Travancore-Cochin ; it is less in Hyderabad and PEPSU ; allotments to the two categories of services are about equal in Madhya Bharat and Saurashtra. The Table on page 82 gives the percentage distribution of tax revenue and revenue expenditure of Part B States under major heads.

Proposals for fresh taxation are largely confined to Mysore, where an additional revenue of Rs. 25 lakhs to Rs. 30 lakhs is expected from an enhancement of tax on motor vehicles, new levies of health cess and seating tax on cinemas, and an enhancement of registration fees. In PEPSU, a tax on cinema shows is to be levied at varying rates, and stamp duties, registration fees, and court fees are to be raised to correspond to the rates prevailing in the adjoining State of the Punjab. In Travancore-Cochin, a $12\frac{1}{2}$ per cent increase in the existing rate of duty on country *arrack* is proposed to yield an additional Rs. 2 lakhs. In Saurashtra the duty on petrol is to be raised from 2 annas per gallon to 4 annas per gallon ; the additional yield from this is estimated at Rs. 2·75 crores.

Capital expenditure of Part B States is placed at Rs. 23·01 crores in 1951-52, compared with Rs. 16·79 crores in 1950-51, the estimates of Mysore, and Hyderabad being Rs. 7·84 crores and Rs. 7·67 crores, respectively. Irrigation projects and electricity schemes are the major items of capital outlay. The overall deficit of Part B States is placed at Rs. 9·43 crores in 1950-51 and Rs. 8·70 crores in 1951-52.

RAILWAY BUDGET :

55. *General.*—Statement 56 gives the breakdown of receipts and working expenses of the Railways for the years 1949-50 to 1951-52, while Statement 57 shows the financial position of the Railways since 1924-25. Graph 24 indicates the trends in receipts and disbursements of the Railways since 1945-46. In 1951-52, according to budget estimates, gross traffic receipts at Rs. 279·50 crores are the highest on record. Net traffic receipts at Rs. 62·53 crores are larger than in any year since 1945-46 and represent 7·5 per cent of capital-at-charge which is estimated at Rs. 832·05 crores. An important feature of the railway budget for 1951-52 is the enhancement of passenger fares with effect from 1 April 1951. It is also proposed to regroup the Indian Railways into six zones.

56. *1949-50, Accounts* —The accounts for 1949-50 showed a surplus of Rs. 14·59 crores as compared with a surplus of Rs. 11·02 crores in the revised estimates. Gross traffic receipts at Rs. 236·35 crores were larger than the revised estimates by Rs. 11·20 crores, due to increases under almost all heads of earnings. Ordinary working expenses were also higher by Rs. 8·53 crores at Rs. 181·53 crores (including the special adjustment of Rs. 15 crores for the inflationary and improvement elements in the cost of replacement works). Rs. 7 crores from the surplus were paid to General Revenues and the balance was credited to the Depreciation Reserve Fund.

57. *1950-51, Revised Estimates.*—The revised estimates for 1950-51 place total gross receipts and ordinary working expenses at Rs. 263·40 crores and Rs. 180·31 crores, respectively, or Rs. 30·90 crores and Rs. 13·72 crores higher than the budget estimates for the year. The improvement in receipts is largely under Goods earnings, which are higher by Rs. 20·05 crores mainly due to resumption of rail traffic between India and Pakistan and the high level of India's sea-borne trade. Passenger earnings show a net increase of Rs. 6·58 crores. Rs. 5·47 crores of the increase in working expenses is under Repairs and Maintenance. Appropriation to the Depreciation Reserve Fund was increased from Rs. 17 crores (the amount provided for in the original estimates) to Rs. 30 crores, as withdrawals from the Fund have been running at an annual rate of about Rs. 35 crores. Net revenue is estimated at Rs. 46·81 crores; Rs. 32·57 crores of this will be paid to General Revenues by way of dividend (in terms of the Revised Railway Convention)*, leaving a net surplus of Rs. 14·24 crores. Rs. 10 crores of the net surplus will be credited to the Development Fund and Rs. 4·24 crores to the Revenue Reserve Fund.

58. *1951-52, Budget Estimates.*—On the basis of existing fares and freight rates, gross traffic receipts for 1951-52 are placed at Rs. 260·40 crores, or Rs. 3 crores less than in the revised estimates for 1950-51. Goods earnings account for a decline of Rs. 2 crores and Other Coaching earnings of Rs. 1 crore. Passenger earnings are, however, expected to be maintained at their present level. Ordinary working expenses are estimated at Rs. 186·75 crores, representing a rise of Rs. 6·44 crores over 1950-51, mainly due to an additional expenditure of Rs. 3·89 crores on the staff and of Rs. 2·66 crores on maintenance. The expenditure estimates include Rs. 8 crores as the cost of the implementation of the Adjudicator's Award (of June 1948 in regard to railwaymen's hours of work, periodic rest, leave reserves etc.) for 1951-52 when the Award is expected to take full effect. Appropriation to the Depreciation Fund will be maintained at Rs. 30 crores. Net miscellaneous expenditure is placed at Rs. 7·31 crores as against Rs. 6·04 crores in the revised estimates for 1950-51.

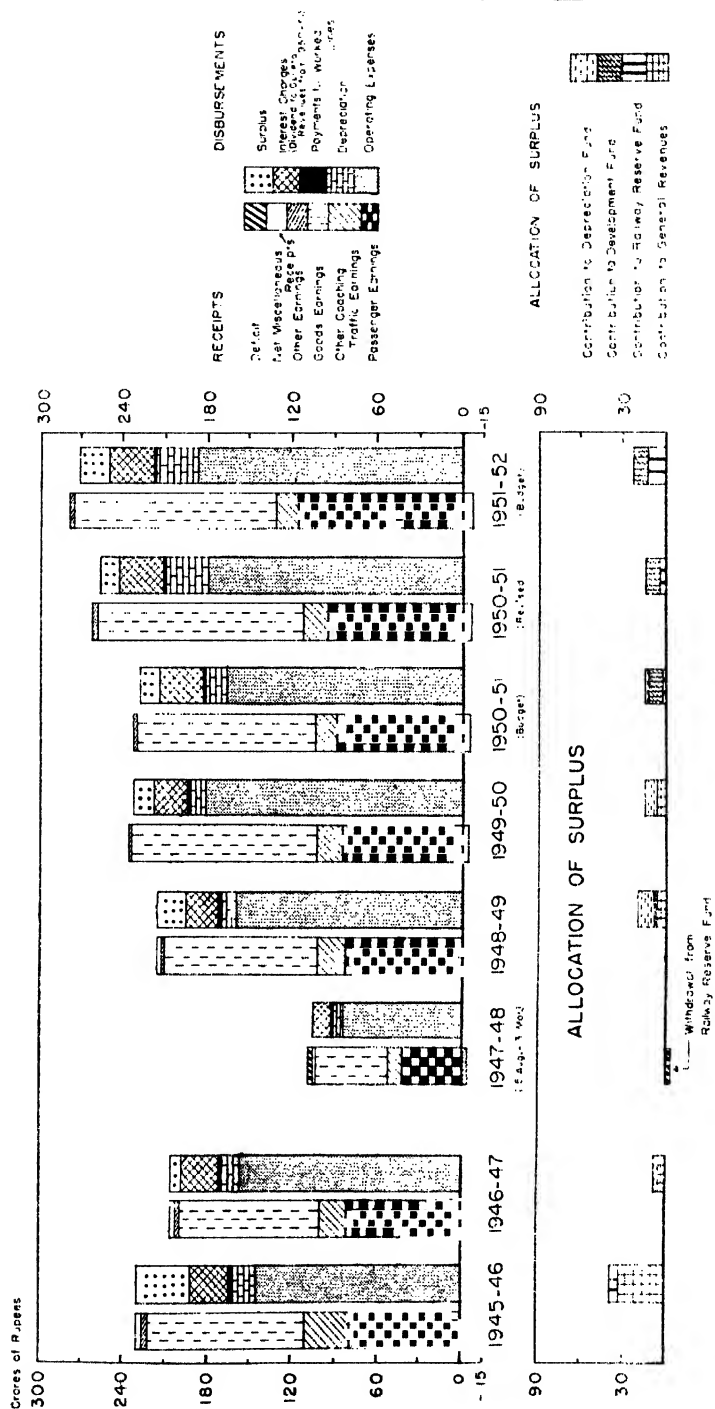
A sizable increase in the railway revenue surplus was deemed necessary to finance part of the railway's rehabilitation and development programme. It was, therefore, proposed to enhance the passenger fares with effect from 1 April 1951, the rates of increase (per mile) being 1 pie for third class, 1·5 pies for inter-class, 2 pies for second class and 3 pies for first class. Freight rates were left undisturbed. The additional revenue anticipated from the increases in fares is placed at Rs. 19·10 crores.

After taking into account the enhancement in fares, gross traffic receipts are placed at Rs. 279·50 crores, net revenue for the year at Rs. 55·22 crores and the net surplus (after paying Rs. 33·37 crores by way of dividend to General Revenues) at Rs. 21·85 crores. It is proposed to allocate Rs. 10 crores of the net surplus to the Development Fund and Rs. 11·85 crores to the Revenue Reserve Fund.

*The Railway Convention Committee in its report dated 3 December 1949 recommended *inter alia* that the existing relationship between General and Railway Finances should be altered to give the former the status of the sole shareholder in the Railway Undertaking and that General Finance should be guaranteed, for a period of 5 years commencing from 1950-51, a fixed dividend of 4 per cent on the loan capital invested (except on unremunerative strategic lines) in lieu of the interest charge and of the (indeterminate) annual contribution that was hitherto being made to General Revenues from railway revenue surplus. The recommendations of the Railway Convention Committee were adopted by Parliament on 21 December 1949, to replace the Convention of 1934.

GRAPH 24

RAILWAY FINANCES 1945-46 TO 1951-52



The balances in the Depreciation Reserve Fund, the Development Fund and the Revenue Reserve Fund at the end of March 1952 are placed at Rs. 114·54 crores, Rs. 21·11 crores and Rs. 25·23 crores, respectively, or a total of Rs. 160·88 crores as against Rs. 129·63 crores and Rs. 150·94 crores as at the end of March 1950 (actual) and 1951 (revised), respectively. The position of the various funds of the Railways is set out in the Table below :—

	(Crores of Rupees)								
	Railway Depreciation Reserve Fund			Revenue Reserve Fund			Railway Development Fund		
	1949-50	1950-51 Revised	1951-52 Budget	1949-50	1950-51 Revised	1951-52 Budget	1949-50	1950-51 Revised	1951-52 Budget
Appropriations to the Fund	19·17	33·69	33·60		4·59	12·44	0·43	10·51	10·62
Withdrawals from the Fund	11·73	31·09	38·43			—	-0·05	6·00	8·29
Net accretions during the year	7·44	2·60	-4·83	—	4·61	12·44	0·48	4·51	2·33
Closing Balance	109·01	119·37*	114·54	6·82	12·79†	25·23	13·80	18·78‡	21·11

* Includes Rs. 7,76 lakhs on account of Indian State Railways taken over from 1-4-1950.

† Includes Rs. 1,36 lakhs

‡ Includes Rs. 47 lakhs

The revised estimate of capital expenditure for 1950-51 is Rs. 61·31 crores as compared with Rs. 45·83 crores originally estimated. The budget for 1951-52 envisages capital expenditure of Rs. 66·5 crores, of which Rs. 38 crores are for rolling stock and machinery and Rs. 26·5 crores for construction of new lines and projects. Rs. 38·43 crores of the total estimated capital expenditure will be met by drawing upon the Depreciation Fund and Rs. 8·29 crores (including Rs. 3 crores for passenger amenities) from the Development Fund ; the balance will be charged to capital.

59. *Report of the Local Finance Enquiry Committee, 1949.*—The Local Finance Enquiry Committee was appointed on 2 April 1949 to enquire into the question of the finances of local bodies and make recommendations for their improvement. The Committee was required specifically to examine whether the existing resources were adequate for the performance of the functions assigned to local bodies and to consider whether and, if so, what additional sources of revenue should be provided. The Committee submitted its report on 23 December 1950. According to the Committee, the tendency to transfer functions from local authorities to State Governments is a retrograde step. It has, therefore, recommended the provision of adequate resources for local bodies and a steady extension of their functions, so that they may become more effective instruments for the execution of national policy.

The Committee has recommended that net proceeds of terminal taxes from the Union List and taxes on lands and buildings, mineral rights, consumption or sale of electricity, advertisements, professions and trades, entertainments, capitation taxes, tolls and certain other minor items from the State List should be made available to local authorities. Other important recommendations of the Committee include : local bodies which do not possess independent powers of taxation should

be given such powers subject to maximum limits to be prescribed in each case ; the States should withdraw from the field of property taxation ; the maximum limit of profession tax should be raised from Rs. 250 to Rs. 1,000 and the tax should be compulsorily levied by such of the local bodies as are not levying either *Octroi* or house tax ; 15 per cent of the net proceeds of land revenue accruing within the area of a district board, and which is not already assigned to a village panchayat, should be so assigned ; State properties should be subject to local taxation ; while the Union properties may continue to have statutory immunity from local taxation, a contribution to local bodies should be made by the Centre, in lieu of such taxation ; while the Committee prefers assignment of sources of revenue, wherever possible, to grants-in-aid, the latter should be given, as a last resort, to enable local bodies to meet their full requirements and enable them to achieve the minimum national standard of efficiency ; local bodies should be relieved of any financial responsibility in respect of secondary, technical and collegiate education ; as for borrowing by local bodies, the Committee recommends simplification of procedure in regard to loan applications, co-ordination of loan policy in which the interests of the Union, the State Governments and local bodies will be considered together, and provision of facilities for obtaining ways and means advances.

60. *Report of the Motor Vehicle Taxation Enquiry Committee, 1950.*—The Motor Vehicle Taxation Enquiry Committee was appointed by the Government of India on 20 April 1950 to survey the existing Central and State systems of taxation of motor vehicle users and to recommend *inter alia* a scientific and fair basis for motor vehicle taxation and the principles on which any part of the tax proceeds should be made available for road maintenance and development. The Committee submitted its report on 23 October 1950. According to the Committee, the present taxation policies of the Centre and States do not conform to their overall policy of developing road transport as a national enterprise. The heavy Central taxation leaves the States a restricted margin, though the main burden of expenditure on roads devolves on the States. The States are also imposing increasing burdens on the motor vehicle user. The basis of motor vehicle taxation as also the rates vary from State to State. Further, local taxes are also high in some areas.

The Committee is of the view that a scientific system of motor vehicle taxation cannot be evolved, unless the Union and the State Governments accept a common transport policy : the principle should be recognised that the motor vehicle user, as a general tax payer, should contribute to governmental revenues only to the same extent as the railway user, and should not be called upon to pay for implementing Union or State policies in matters such as defence, welfare and prohibition.

The more important recommendations of the Committee in regard to the taxation of motor vehicles are : no change should be made in the present customs and Central excise duties on motor spirit, until road communications in the country are better developed ; the Central Road Fund and the proposed State Road Funds should receive a part of the proceeds from the Central tax on petrol ; only two taxes, the fuel tax and the motor vehicle tax, should be levied by the States, the proceeds being credited to non-lapsing State Road Funds ; there should be uniformity in States taxation ; while the sales tax on motor vehicles and their accessories will be retained, their rates should be the same as for non-luxury goods ; each State should pay from its revenues an amount equal to one third of the total expenditure on

roads, such a payment constituting the share of the general tax payer for "community use of roads", and local bodies should not be permitted to tax motor vehicles, but they may be given grants wherever they may be justifiable.

B. PUBLIC DEBT

61. *General.*—The debt position of the Central and Part A State Governments is shown in Statements 51, 58, 65 and 66 and in Graphs 25, 26 and 27. During the year under review, the public debt of the Government of India rose by Rs. 1·54 crores to Rs. 2,089 crores*, and total interest-bearing obligations† by Rs. 48·57 crores to Rs. 2,562 crores. As at the end of March 1951, Rs. 2,501 crores of the interest-bearing obligations were obligations in India, Rs. 36 crores in England, and Rs. 25 crores were dollar loans. Total interest-yielding assets as on 31 March 1951 amounted to Rs. 1,681 crores or an increase of Rs. 160 crores during the year. New loan flotations and discharge of permanent debt in India amounted to Rs. 30·33 crores and Rs. 42·48 crores, respectively, the net outgo being Rs. 12·15 crores as compared with Rs. 25·48 crores in 1949-50. Net borrowings in 1950-51, under loans, Treasury bills, TDRs, small savings, Treasury Savings Deposits and external loans, amounted to Rs. 25·75 crores, as against an anticipated sum of Rs. 66·35 crores in the budget for the year, and negative sums of Rs. 1 crore in 1949-50‡ and Rs. 14 crores in 1948-49. In addition, in 1950-51, a sum of Rs. 23·33 crores was realised from the sales of securities in the Cash Balance Investment Account, as against a net outgo of Rs. 2·79 crores on this account in 1949-50. Budget estimates for 1951-52 place net receipts from all kinds of borrowings at Rs. 56·99 crores and realisations from the Cash Balance Investment Account sales at Rs. 5 crores. Including Cash Balance Investment Account transactions, total net borrowings amounted to Rs. 49·08 crores in 1950-51 and are placed at Rs. 61·99 crores in 1951-52.

There were no sales of Treasury bills to the public in 1950-51. Outstandings of Treasury bills held by the Reserve Bank of India, States and other approved bodies showed a rise of Rs. 16·16 crores during the year. There was a net outgo of Rs. 7·14 crores on account of Treasury Deposit Receipts during the year, as against net receipts of Rs. 9·96 crores in 1949-50. Net receipts from small savings aggregated Rs. 30·97 crores, including Rs. 5·48 crores from new ten-year Treasury Savings Deposits, as compared with Rs. 26·18 crores in 1949-50.

Total gross debt of Part A States as at the end of March 1951 stood at Rs. 254·29 crores, the bulk of which, amounting to Rs. 149·33 crores, comprised loans from the Central Government.

(a) GOVERNMENT BALANCES AND SHORT-TERM BORROWINGS

CENTRAL GOVERNMENT :

62. *Balances.*—Statement 59 shows the respective balances of the Central Government and of Part A States with the Reserve Bank of India and at Government Treasuries as on the last day of each month during the years 1949-50 and 1950-51.

* Including Rs. 24·60 crores on account of loans from the International Bank for Reconstruction and Development.

† Special floating loans and expired loans are included in public debt but not in interest-bearing obligations. On the other hand, interest-bearing obligations include unfunded debt and deposits.

‡ Excluding IBRD loan of Rs. 12·71 crores which is not finally taken to loan receipts in the provisional accounts for the year.

The total balances of the Central Government, which amounted to Rs. 140·22 crores at the end of March 1950, declined to Rs. 130·48 crores at the end of April 1950. Thereafter, except for a fall in July and again in October, they rose continuously to Rs. 176·48 crores by the end of January 1951. As at the end of March 1951, the balances stood at Rs. 151·34 crores.

63. *Treasury Bills*.—Details of transactions in Central Government Treasury bills since 1918-19 are shown in Statement 60. Particulars of weekly and monthly transactions in these bills during 1950-51 are given in Statements 61 and 62, respectively. Sales of Treasury bills by tender to the public remained suspended since 20 December 1949.

The total of Central Government Treasury bills sold in favour of the Reserve Bank of India during the year amounted to Rs. 1,394 crores, of which Rs. 1,119 crores was on account of renewal of *ad hoc*s and Rs. 275 crores represented investments by States and other approved bodies. As on 31 March 1951, Treasury bills outstanding on account of the Reserve Bank of India, States and others aggregated Rs. 358·02 crores, comprising Rs. 274·51 crores of *ad hoc*s* and Rs. 83·51 crores holdings of States and others. The corresponding figures as at the end of March 1950 were Rs. 341·86 crores, Rs. 281·54 crores and Rs. 60·32 crores, respectively.

During the year under review, all Part A States, except Madras, invested their surplus funds in Central Government Treasury bills. As on 31 March 1951, the Treasury bill holdings of Part A State Governments stood at Rs. 50·15 crores as compared with Rs. 19·66 crores on 31 March 1950.

64. *Treasury Deposit Receipts*.—Particulars of issues and discharges of TDRs during the years 1950-51 and 1949-50 are given in Statement 64. During the year under review, total issues amounted to Rs. 20·03 crores, of which six months TDRs accounted for Rs. 16·95 crores ; total discharges amounted to Rs. 27·17 crores. Consequently, outstandings of TDRs declined by Rs. 7·14 crores, from Rs. 13·84 crores at the end of March 1950 to Rs. 6·70 crores at the end of March 1951. Of the latter, Rs. 3·62 crores were held in six-months and Rs. 2·38 crores in one-year TDRs. Investments in TDRs on account of the U.P. Zamindari Abolition Fund amounted to Rs. 12 crores during 1950-51, TDRs outstanding on account of the Fund at the end of the year being Rs. 2 crores.

From October 1943 the Centre has had no recourse to ways and means advances.

STATE GOVERNMENTS :

65. *Balances and Ways and Means Advances*.—The month-end balances of Part A States with the Reserve Bank, as shown in Statement 59, averaged Rs. 21·38 crores for the year 1950-51 as compared with Rs. 23·84 crores for 1949-50, while their total balances (including balances at the Treasuries) at the end of March 1951 stood at Rs. 47·72 crores, as compared with Rs. 47·46 crores at the end of March 1950. The total balances at the end of 1950-51 were made up as under : the Punjab Rs. 17·88 crores, Uttar Pradesh Rs. 9·54 crores, West Bengal Rs. 8·90 crores, Madhya Pradesh Rs. 4·25 crores and other Part A States Rs. 7·15 crores.

*Representing the balance of *ad hoc*s issued to the Reserve Bank in 1948-49 in exchange for sterling transferred to the U.K. Government for purchase of sterling pensions annuities and for defence stores and installations taken over by the Government of India in terms of the Sterling Balances Agreement of July 1948.

During the year under review, of the nine Part A States, Madras, Bombay, the Uttar Pradesh and Orissa had recourse to ways and means advances totalling Rs. 42·39 crores, of which Madras accounted for Rs. 29·08 crores, Bombay and the Uttar Pradesh for Rs. 6·33 crores each and Orissa for Rs. 65 lakhs. The largest amount of ways and means advances in a month was made in April 1950, the amount being Rs. 10·10 crores. All advances were repaid, except for an amount of Rs. 1·64 crores due from Madras.

66. *Treasury Bills*.—The Treasury bill transactions of Part A States since 1938-39, when they commenced borrowing in this form, are shown in Statement 63. No State Government resorted to this form of borrowing during the year.

(b) LONG-TERM DEBT AND OTHER BORROWINGS

67. *Government of India Loans*.—Internal market borrowings during the year amounted to Rs. 30·33 crores, which fell short of the budget estimate of Rs. 75 crores by Rs. 44·67 crores. In terms of their notification dated 15 June 1950, the Government invited subscriptions from the public for a cash-cum-conversion 3 per cent Loan, 1961, for Rs. 30 crores. Holders of the 2½ per cent Bonds, 1950, of which Rs. 35·09 crores worth were outstanding and which fell due for repayment on 15 July 1950 (in terms of the notification dated 1 July), were offered the option of converting, at par, their holdings into this loan. The loan was opened for subscription on 19 June 1950 and closed on the same day, total subscriptions having amounted to Rs. 30·33 crores comprising Rs. 7·58 crores in cash and Rs. 22·75 crores by way of conversion. Rs. 10·89 crores of the 2½ per cent Bonds, 1950 were redeemed in cash by 31 March 1951. The Government realised during the year Rs. 23·33 crores from the sale of securities from the Cash Balance Investment Account. Loan drawings from the International Bank for Reconstruction and Development amounted to Rs. 8·64 crores.

Earlier, by a notification dated 10 February 1950, the Government announced their decision to repay on 15 May 1950 the 4½ per cent Loan, 1950-55, of which Rs. 6·74 crores worth were outstanding. The total amount repaid upto 31 March 1951 was Rs. 6·71 crores.

68. *Composition of the Debt*.—Statement 65 shows the outstanding debt* of the Government of India at the end of each quinquennium from 1913-14 to 1938-39 and at the end of each financial year, thereafter. The total interest-bearing obligations of the Government of India rose by Rs. 1,356 crores from Rs. 1,206 crores at the end of March 1939 to Rs. 2,562 crores at the end of March 1951 (revised estimates) (*vide* Statement 66 and Graph 26). The increase during the year under review was Rs. 49 crores. Of the total interest-bearing obligations, that part included under public debt accounted for Rs. 1,869 crores; it was made up of Rs. 1,811 crores in rupee loans, Rs. 33 crores in sterling loans† and Rs. 25 crores in dollar loans. Total public debt, including non-interest-bearing debt of Rs. 213 crores to the IMF and IBRD, and Rs. 7 crores of expired loans, stood at Rs. 2,089 crores‡, as against Rs. 950 crores

* Debt figures, as given in this Statement, comprise what is termed public debt in the Budget Memorandum, small savings and other unfunded debt and deposits.

† Including British War Loan (Rs. 20·62 crores) and Railway Annuities (Rs. 10·96 crores). The liability in respect of the British War Loan remains suspended. As regards Railway Annuities, an equivalent amount has been deposited with the U.K. Government who have undertaken to provide the necessary sterling as payments fall due. § Excluding British War Loan and Railway Annuities, public debt at the end of March 1951 was Rs. 2,057 crores.

on 31 March 1939 and Rs. 2,087 crores on 31 March 1950. 12·7 per cent of the rupee debt (which amounted to Rs. 2,514 crores as at the end of March 1951: *vide* Statement 65 and Graph 25) was due to mature within 5 years, 13·6 per cent between 5 and 10 years, 20·7 per cent after 10 years, 10·3 per cent was undated and 14·5 per cent was floating debt, including *ad hoc*s; the rest of the debt comprised small savings and other obligations. Interest-bearing obligations include balances in Provident Funds, savings deposits in Post Office Savings Bank and outstandings on account of Post Office Cash and National Savings Certificates, Depreciation and Reserve Funds of Railways and Posts and Telegraphs and certain other deposits; the total of these categories has grown from Rs. 257 crores at the end of March 1939 to Rs. 692 crores at the end of March 1951, the increase during the year under review being Rs. 46 crores. The total interest-yielding assets amounted to Rs. 1,681 crores as on 31 March 1951 or 65·6 per cent of the total interest-bearing obligations. In addition, cash and securities held on Treasury account amounted to Rs. 142 crores.

69. *Repatriation of Sterling Debt.*—During 1950-51, sterling securities of the face value of £ 0·04 million were repatriated, at a cost of Rs. 5 lakhs, and rupee counterparts of the face value of Rs. 98,370 in respect of the 3½ per cent Loan, 1954-59 were created. The total of sterling debt repatriated since 1937-38 amounted to £ 328·83 million at a cost of £ 327·44 million or Rs. 437·58 crores (*vide* Statement 67).

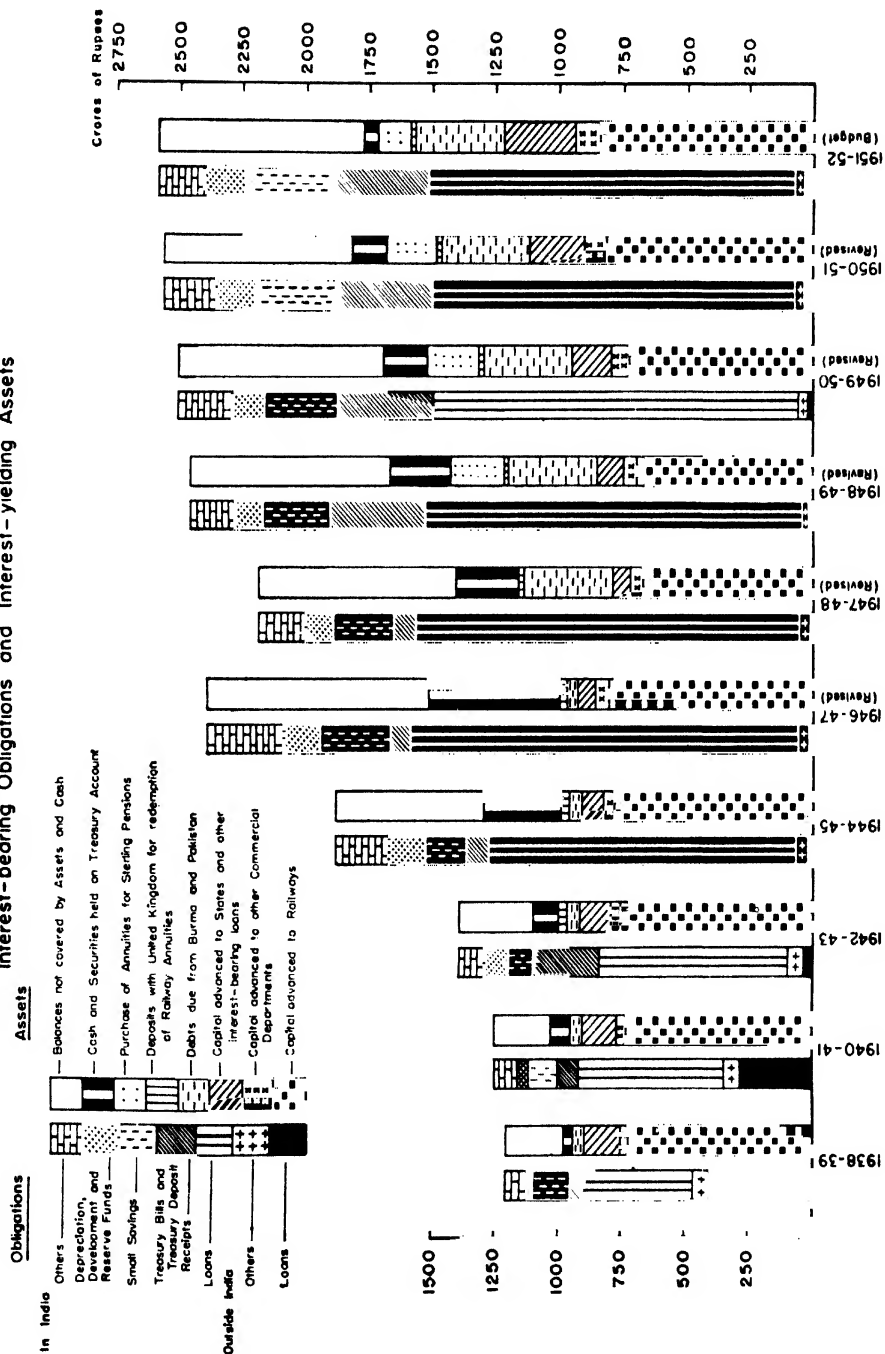
70. *Distribution of Rupee Debt: Government Promissory Notes, Stock Certificates and Subsidiary General Ledger Accounts.*—Conversions of Central and State Governments' Promissory Notes into Stock Certificates during 1950-51 amounted to Rs. 17·73 crores and Rs. 59 lakhs, respectively, as compared with Rs. 12·02 crores and Rs. 10 lakhs, respectively, during 1949-50. Reconversions of Stock Certificates into Promissory Notes amounted to Rs. 12·46 crores as compared with Rs. 20·56 crores in 1949-50; of the former, Rs. 12·02 crores were in respect of Central Government loans and Rs. 44 lakhs in respect of State Governments loans. It may be recalled that, in 1949-50, the Reserve Bank of India discontinued the concession of waiving the usual fees for reconversion of Stock Certificates into Government Promissory Notes. The distribution of the rupee debt of the Government of India, according to the form in which it was held, is shown in the Table below:—

PERCENTAGE TO TOTAL RUPEE DEBT

As on 31 March	G.P. Notes	Stock Certificates	S.G.L. Accounts	Miscellaneous (i.e., G. P. Notes and Stock Certificates held in London)
1942	53·89	15·40	30·57	0·34
1943	25·60	31·28	42·85	0·27
1944	32·65	28·88	38·27	0·20
1945	37·05	25·95	36·85	0·15
1946	37·70	22·66	39·53	0·11
1947	35·90	22·26	41·80	0·04
1948	33·04	20·04	45·99	0·03
1949	33·75	19·65	46·57	0·03
1950	33·90	18·91	47·16	0·03
1951	32·37	17·73	49·87	0·03

Institutional investors continued to prefer to hold securities in Subsidiary General Ledger Accounts.

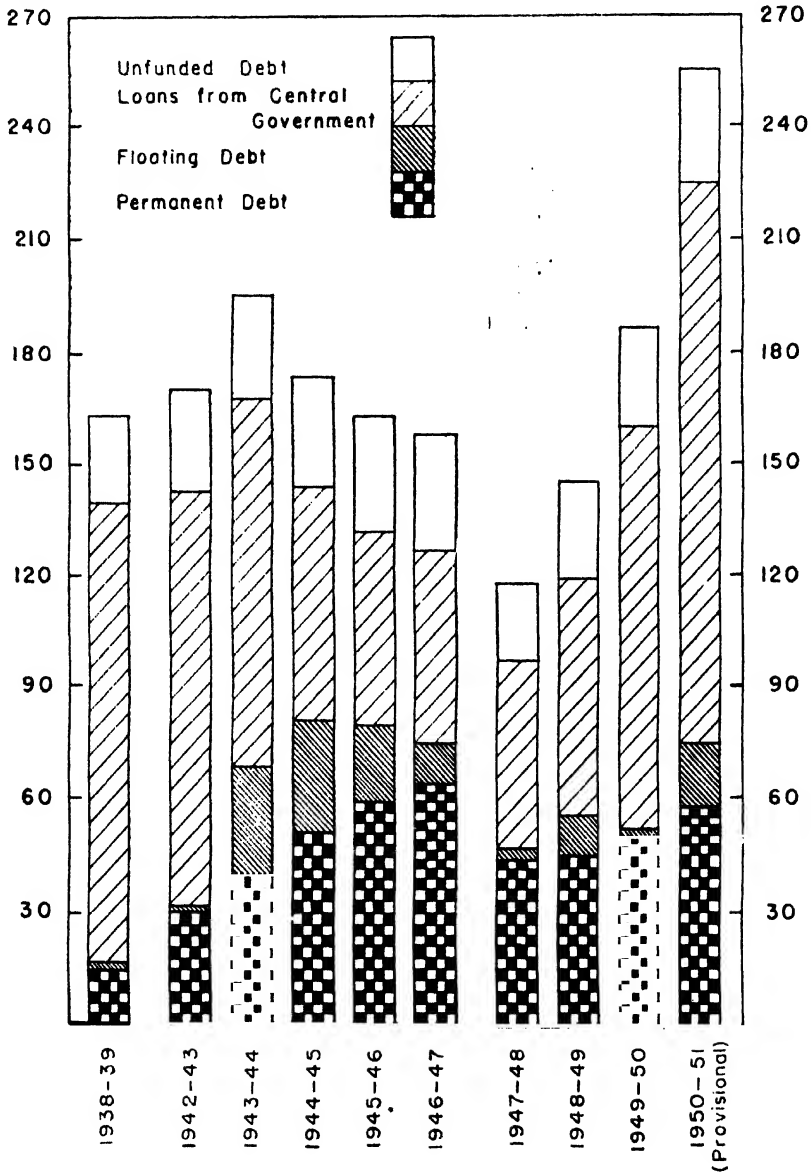
GOVERNMENT OF INDIA'S Interest-bearing Obligations and Interest-yielding Assets



GRAPH 27

DEBT POSITION OF PART A STATES

Crores of Rupees



71. *Small Savings*.—Net receipts on account of small savings during 1950-51 amounted to Rs. 25·49 crores (excluding Treasury Savings Deposits) as compared with Rs. 26·18 crores in 1949-50 (*vide* Statements 68-70 and Table below). Net receipts on account of National Savings Certificates and Savings Bank Deposits were Rs. 17·22 crores and Rs. 13·73 crores, respectively. There were net repayments of Rs. 5·46 crores under the other categories of small savings, which have been discontinued.

	Outstanding at the end of									(Lakhs of Rupees)
	1940-41	1941-42	1942-43	1946-47	14 Aug. 47	1947-48	1948-49	1949-50	1950-51†	
Cash Certificates	46,98	39,01	34,57	39,22	37,69	— 3,07	— 7,49	—11,36	—15,88	
Defence Savings Certificates	2,29	4,35	5,56	5,18	4,79	— 40	— 75	— 1,02	—1,78	
National Savings Certificates				70,62	74,98	9,21	25,07	40,60	57,82	
Savings Bank Deposits	59,51	52,07	52,22	142,35	146,82	10,12	29,91	45,09	58,82	
Defence Savings Bank Deposits		11	41	10,93	6,02	— 3,16	— 4,07	— 4,46	— 4,64	
Total ..	108,78	95,54	92,76	268,30	270,30	12,70	42,67	68,85	94,34	

Note.—Since 1947-48, figures are for the Indian Union only, exclusive of share in the pre-Partition outstandings.

† Provisional.

With a view to extending savings facilities to rural areas, it was decided to appoint extra Departmental postmasters of branch Post Offices in villages as authorised agents for the sale of twelve-year National Savings Certificates on a commission of $1\frac{1}{2}$ per cent. Similarly, where Registrars of Co-operative Societies are agreeable, it has been proposed to appoint rural co-operative societies as authorised agents on commission.

The number of Savings Bank Accounts transferred during the year from Pakistan to India was 718, involving Rs. 4 lakhs, and the number transferred from India to Pakistan was 272, involving Rs. 1 lakh.

72. *Ten-year Treasury Savings Deposit Certificates*.—In pursuance of the objective of stimulating savings, particularly among the middle and lower income groups, the Government of India, in their notification dated 22 January 1951, announced their decision to issue ten-year Treasury Savings Deposit Certificates, as from 1 February 1951. The Certificates, which carry (tax-free) interest at $3\frac{1}{2}$ per cent and are not transferable, are repayable at par on the expiry of ten calendar years. They may be redeemed, at the option of the depositors, at any time after the expiry of one year, subject to rates of discount, rising from Rs. 3-8 for every hundred rupees, if withdrawn before the expiry of two years, to a maximum rate of Rs. 6-4 per hundred, if withdrawn after five years but before the expiry of six years, gradually falling thereafter to Rs. 2-4 per hundred, if withdrawn after nine years but before the due date. Interest is payable annually and is not liable to income-tax, nor will it be taken into account in calculating the total income of the holder for purposes of income-tax. The maximum amounts that may be deposited in these certificates are fixed at Rs. 25,000, Rs. 50,000, Rs. 1,00,000 and Rs. 50,000 for individuals, joint holders, charitable institutions and other institutions, respectively.

The response to the scheme has been encouraging, collections between 1 February 1951 and 31 March 1951 aggregating Rs. 5·48 crores. Joint holders accounted for Rs. 1·82 crores and individuals for Rs. 1·69 crores, the shares of charitable institutions and other institutions being Rs. 6 lakhs and Rs. 1·91 crores, respectively.

73. *State Loans.*—During the year under review, Governments of three States, namely, Bombay, Madras and Madhya Pradesh, floated medium-dated loans on 31 July 1950 for Rs. 3 crores, Rs 4 crores and Rs. 1 crore, at issue prices of Rs. 99·8, Rs. 99 and Rs. 98·8, respectively. The loans carry interest at 3 per cent per annum and are repayable at par on 31 July 1960. All loans were fully subscribed, the amounts issued being Rs. 3·02 crores, Rs. 4·40 crores and Rs. 1·01 crores, respectively. The proceeds of the State loans were for financing irrigation works, electricity projects and for other development expenditure. Subscription to part of the Madras loan was restricted to ryots of the Tirunelveli district, the proceeds being earmarked for financing a local project, namely, the Manimuttar project. The amount subscribed under the scheme was Rs. 1·28 crores. By a notification dated 22 February 1951 a similar loan issue, the 3 per cent Tapi Irrigation Development Loan, 1961, for Rs. 2 crores at an issue price of Rs. 99·8, was announced by the Government of Bombay, subscriptions being confined to the Surat district. The loan was opened for subscription on 5 March 1951 and subscriptions were received upto 18 May 1951; total subscriptions to the loan amounted to Rs. 69 lakhs. No State loan fell due for repayment during the year under review.

During 1950-51, the 3½ per cent U. P. Encumbered Estates Act Bonds (the issue of which had been suspended from 15 December 1947) of a nominal value of Rs. 3,400 were issued; the amount paid out during the year was Rs. 26·79 lakhs, the balance outstanding at the end of March 1951 being Rs. 2·47 crores.

74. *Debt Position of Part A States.*—The gross total debt of Part A States, which stood at Rs.186·24 crores at the end of 1949-50, rose by Rs. 68·05 crores, during the year, to Rs.254·29 crores as at the end of March 1951 (*vide* Statement 58). The outstanding total comprised Rs. 58·29 crores of permanent debt, Rs. 16·60 crores of floating debt, Rs. 149·33 crores of loans from the Central Government and Rs.30·07 crores of unfunded debt. Loans from the Central Government showed a substantial increase of Rs. 42·62 crores, the increases under permanent debt, floating debt and unfunded debt being Rs. 7·88 crores, Rs. 15·13 crores and Rs. 2·42 crores, respectively. Total debt at the end of March 1951 represented 86 per cent of the annual revenues of Part A States. As at the end of March 1951, outstanding permanent debt of the Governments of Bombay, Madras and Uttar Pradesh amounted to Rs.19·50 crores, Rs. 19·50 crores and Rs. 13·98 crores, respectively (*vide* Statement 71).

VI. BALANCE OF PAYMENTS AND FOREIGN TRADE

75. *Balance of Payments.*—The year 1950 saw a striking improvement in India's balance of payments. Excluding transactions with Pakistan which receive separate attention (in para 77), figures for 1950 show a surplus on current account of Rs. 61·5 crores compared to a deficit of Rs. 169·3 crores in 1949. The very marked improvement was the result of several influences of which the most noteworthy were the devaluation of the rupee and the Korean War.

Statement 73 gives the details of transactions on current and capital accounts on a half yearly basis for 1949 and 1950. The position on the current account is summarised below in a convenient form.

		(Crores of Rupees)			
		1949	1950	Jan.-June 1950	July-Dec. 1950
Imports <i>c.i.f.</i>	..	628.3*	509.5	252.1	257.2
Exports <i>f.o.b.</i>	..	425.8	540.0	242.0	298.1
Trade Balance	..	202.5	+30.5	- 10.1	+40.9
Invisibles (Net)	..	+ 33.2	+31.0	+ 17.2	+13.5
Current Account (Net)	..	- 169.3	+61.5	+ 7.1	+54.4

*Exclusive of the extraordinary payment of Rs. 11.9 crores to the U.K. on account of defence stores.

There is a slight deterioration in the invisible account in 1950 ; but this has been more than made up by the merchandise transactions, the increase in exports playing as great a role as the reduction in imports. Exports over the year rose by Rs.114 crores reaching an all-time high at Rs. 540 crores. This was rendered possible chiefly by an increase in export prices particularly through the enhanced export duties, although some increase in quantities exported also took place. The value of imports declined substantially from the peak level of Rs. 628 crores reached in the previous year to Rs. 510 crores in 1950. Government expenditure on food and stores was considerably less primarily on account of lower food imports of 2.1 million tons in 1950 as compared to 3.7 million tons in 1949. As the prices of imports in 1950 were on the whole appreciably higher than those of 1949, the value figures may be taken to understate the magnitude of reduction in the quantities imported in 1950.

The surplus in India's balance of payments for 1950 was unevenly distributed between the two half years. That the bulk of the surplus was achieved in the second half of the year was an indication of the assistance India's balance of payments derived from the international situation. The quarterly breakdown of figures given below brings this out even more clearly.

		(Crores of Rupees)			
		1st Qr.	2nd Qr.	3rd Qr.	4th Qr.
Imports <i>c.i.f.</i>	..	119.2	133.0	121.2	136.1
Exports <i>f.o.b.</i>	..	129.4	112.5	128.1	170.0
Trade Balance	..	+10.2	- 20.5	+ 6.9	+33.9
Invisibles (Net)	..	+12.8	+ 4.6	+ 6.5	+ 7.3
Current Account (Net)	...	+23.0	-15.9	+13.4	+41.2

In the first quarter of the year, there was a surplus of Rs. 23·0 crores mainly due to restricted imports and the spurt which devaluation gave to India's exports. But the position deteriorated markedly in the following quarter, when a liberalisation of imports intended to ease shortages arising from earlier restrictions, and a seasonal drop in exports, together induced a deficit of Rs. 15·9 crores. The third quarter saw the initial impact of the accelerated rearmament and stockpiling programmes in America and Western Europe. The total value of exports which in the second quarter had fallen to Rs. 112·5 crores reached very nearly the previous quarter's level at Rs. 128·1 crores. But it was only in the fourth quarter that the full impact of the rearmament and stockpiling demands was felt on the balance of payments; exports in this quarter attained an unprecedented level of Rs. 170 crores or an annual rate of Rs. 680 crores. Imports in the last two quarters of the year showed no appreciable change despite liberal allocations of foreign exchange and the enlargement of the O.G.L., probably mainly on account of shortages abroad. Total imports during the last two quarters of the year amounted to Rs. 257 crores, *i.e.*, higher by only Rs. 5 crores or so than in the first half of the year. Since this rise included an increase in Government imports to the extent of Rs. 13 crores, commercial imports actually recorded a decline.

The figures in the capital account (items 11-16) in Statement 73 and more particularly Statement 72 show the manner in which the surplus (or deficit) was financed in the years 1949 and 1950. The net 'investment' on the capital account, corresponding to the surplus on the current account amounted to Rs. 24·5 crores in 1950, the difference being explained by 'Errors and Omissions' of Rs. 37·0 crores*. The exports were particularly heavy during the last quarter of 1950 and yet it is likely that not all the corresponding earnings accrued to the country in 1950 which explains the unusually large residue described as 'Errors and Omissions'. Statement 72 shows the transactions on the current and capital accounts rearranged to focus India's balance of payments on 'Compensatory Official Financing' in 1949 and 1950. 'Compensatory Official Financing' is a concept developed by the IMF for its operational purposes. Briefly stated, it means the financing undertaken by the monetary authorities in a country (the Central Bank and Government) to provide exchange to cover a surplus or deficit in the rest of the balance of payments. By definition it would exclude certain official transactions such as IBRD loans, amortisation and certain contractual payments as they are not primarily undertaken for balance of payments purposes. The principal items which have been judged to be 'compensatory' from the point of view of India, are : (1) the movements in the sterling balances of the country, constituting as they do the bulk of the exchange reserves available to the monetary authorities, (2) changes in the balances of India Supply Mission, Washington and High Commissioner for India in London and (3) variations in the foreign balances (credit and debit) of commercial banks, the disposition of these balances being subject to positive control by the exchange authorities in India. The figures analysed in Statement 72 reveal that the foreign exchange assets of the official and banking institutions rose by Rs. 22 crores in 1950, the liabilities (excluding liabilities to IBRD) to the foreign official and banking institutions also declining at the same time by Rs. 11 crores. In 1949, a large current account deficit had caused a reduction in foreign exchange assets to the tune of Rs. 151 crores, and in addition, the country incurred liabilities to foreign official institutions (excluding IBRD) amounting to Rs. 2 crores.

*The practice of recording exports on a shipment basis unlike the other items which are recorded on an accrual and payments basis is largely responsible for the discrepancy between the current and capital account estimates.

Statement 74 shows area-wise transactions on the current account for 1949 and 1950 on a half yearly basis and Graph 28 depicts trends in transactions on current account with hard and soft currency countries. A further breakdown, by quarters, of the figures relating to merchandise is given in Statement 75.

It was in the transactions with the sterling area that the largest part of the improvement in India's balance of payments for 1950 took place. In 1949 India had a deficit of Rs. 46.0 crores* with this area which in 1950 was changed into a surplus of Rs. 59.7 crores. When the Indian rupee was devalued in September 1949, there was the general expectation that there would come about a shift in demand for imports from the hard to the soft currency areas and that there would on the whole be larger trade within the soft currency area. This expectation was qualified in regard to our imports by the continuance of import controls applicable to the sterling area trade, though less rigidly than control in relation to the hard currency countries, and imports from the sterling area fell from Rs. 312 crores in 1949 to Rs. 271 crores. Exports on the other hand bettered expectations and registered a rise of Rs. 63 crores over Rs. 228 crores in 1949, due largely to the competitive advantage which the devaluation of the rupee conferred on the Indian textiles over others especially those from the U.S.A. and Japan in the world markets. From the middle of the year, exports to the Middle and Far Eastern countries derived further stimulus from the boom in raw material prices and the consequent stimulation of demand which the rising incomes in raw material producing countries brought about.

The payments position with the hard currency area changed from one of a deficit of Rs. 53 crores in 1949 to a surplus of Rs. 29 crores in 1950. Hostilities in Korea and the accompanying changes in the international economic situation constituted the principal, though not the sole influence affecting this development. During the first six months of the year, there was a deficit of Rs. 9 crores in the payments position with these countries arising not so much out of the failure of exports as from the emergency imports of raw cotton from the U.S.A. necessitated by the critical raw material situation which developed in the Indian textile industry. Out of the total commercial imports of Rs. 69 crores from the hard currency countries during the first half of the year as large a portion as Rs. 31 crores was accounted for by payments for raw cotton. However, from the third quarter onwards, the balance of payments moved substantially in favour of India. Owing to intensified stockpiling demand for Indian export commodities and the consequent increase in their prices (in the case of hessian through higher export duty), exports recorded a rise from Rs. 35.7 crores in the second quarter to Rs. 39.8 crores in the third quarter and to Rs. 49.9 crores in the fourth quarter. At the same time, commercial imports shrank to less than half the second quarter level, from Rs. 37.8 crores to Rs. 15.5 crores and Rs. 16.8 crores in the third and fourth quarters, respectively. Part of the explanation for the change no doubt is the alteration in the currency area classification, involving the transfer of Belgium, West Germany and Switzerland in the second half of the year to the soft currency group. But the main difficulty in obtaining imports lay in the action taken by the U.S.A. to extend public control over a number of its exports, *e.g.*, raw cotton and non-ferrous metals. Despite this severe reduction in commercial imports, there was a marked rise in the total payments for imports in the fourth quarter, mainly owing to a large increase in Government imports—payments for Government imports during this quarter (Rs. 16.6 crores) being the highest for any similar period since the middle of 1949.

*Omitting the extraordinary payment of Rs. 11.9 crores to the U. K.

The adverse balance with the 'other areas' amounted to Rs. 27·1 crores as against Rs. 70·3 crores in 1949. This improvement also resulted less from a rise in exports than from a fall in imports. Though figures would show an increase in exports of about Rs. 6 crores, it was mostly accounted for by the changes in the currency areas referred to earlier. An explanation for the failure of exports to this area to respond to favourable influences which were present during 1950—such as devaluation and the effects of the Korean War—was to be found in the fact that India's principal export to these countries was 'sacking' for which the demand was higher than the supply available at home to satisfy it. The quantity of sacking exported to soft currency countries is fixed by means of destination quotas; in view of the raw material shortages faced by the jute industry and the need to step up the production of hessian, there was a severe reduction in the supplies of sacking available for export. In addition, raw jute itself earned Rs. 6 crores in 1949, which source of earning was almost completely cut off in 1950. Payments for imports to this area fell substantially in 1950 by Rs. 45 crores from Rs. 144 crores in 1949. Reduced Government expenditure accounted for nearly half of this fall, while the reduction in the commercial imports during the year was due to the curtailed raw cotton imports from Egypt (Rs. 26 crores in 1950 as compared to Rs. 39 crores in 1949) following the phenomenal advance of prices in that country.

76. *Foreign Trade*—(1) *General*.—India's trade* with the outside world except Pakistan amounted to Rs. 1,050 crores in 1950 as against Rs. 1,054 crores in 1949 (*vide* Graph 29); there was a fall of 18·9 per cent in imports in 1950 as against a rise in exports of 26·8 per cent. On the whole, the proportion between imports on Government account and private account remained approximately the same during 1949 and 1950, indicating that there was the same relative decrease in each sector. Considered region-wise, imports from sterling area were lower by Rs. 42 crores (or 13 per cent) relatively to 1949. Imports from hard currency area declined by Rs. 32 crores (or 18 per cent). The decrease of 32 per cent (Rs. 45 crores) in imports from other areas was steeper than the corresponding decrease from other regions. The increase in the value of exports to hard currency area was Rs. 45 crores (or 36 per cent of the exports in 1949). Exports to sterling area increased by about Rs. 63 crores (or 27 per cent), while exports to other areas increased by about Rs. 6 crores (or 7 per cent). The quarterly figures showing the trends in trade with several areas are given in Statement 75 (*vide* also Graph 30).

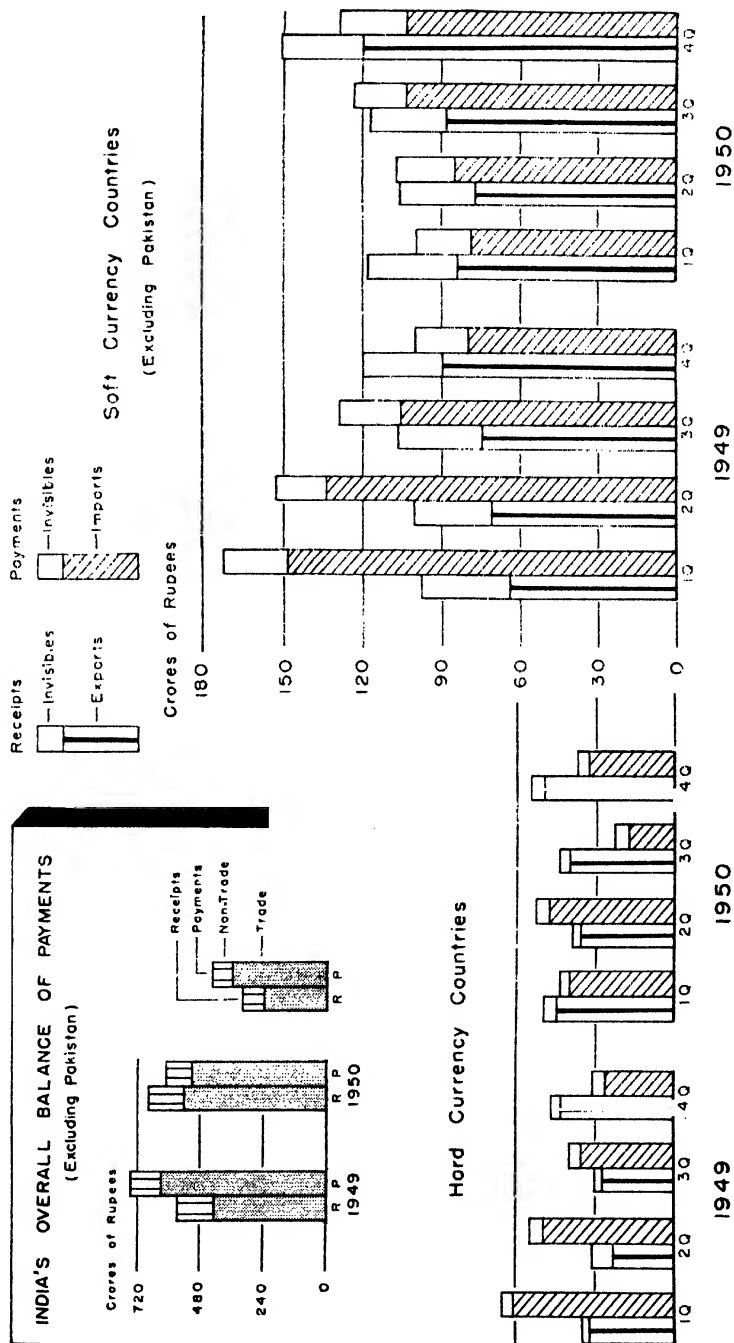
(2) *Imports*.—Statement 76 which is based on the Accounts relating to the Sea-borne Trade of India shows the value by quarters of important groups of commodities imported from countries other than Pakistan, while Statement 77 gives statistics of the value of the more important commodity components of imports from the United States by quarters. The bulk of heavy imports during the six months April-September 1950 comprised industrial raw materials like raw cotton, chemicals and drugs and mineral oils. Imports of raw cotton became steadily difficult as the year advanced and the market became bullish as a result of the lower U. S. cotton crop for 1950-51 and the enhancement of export duties on cotton by many exporting countries. Imports of mineral oils showed a sudden increase in the quarter July-September 1950 as a result of derationing of petrol in July 1950. The effects of the liberalisation of imports of drugs and medicines

* Statement 83, which is based on data released by the Director-General of Commercial Intelligence and Statistics, shows the monthly values of the imports from and exports to all countries including Pakistan for the years 1949-50 and 1950-51.

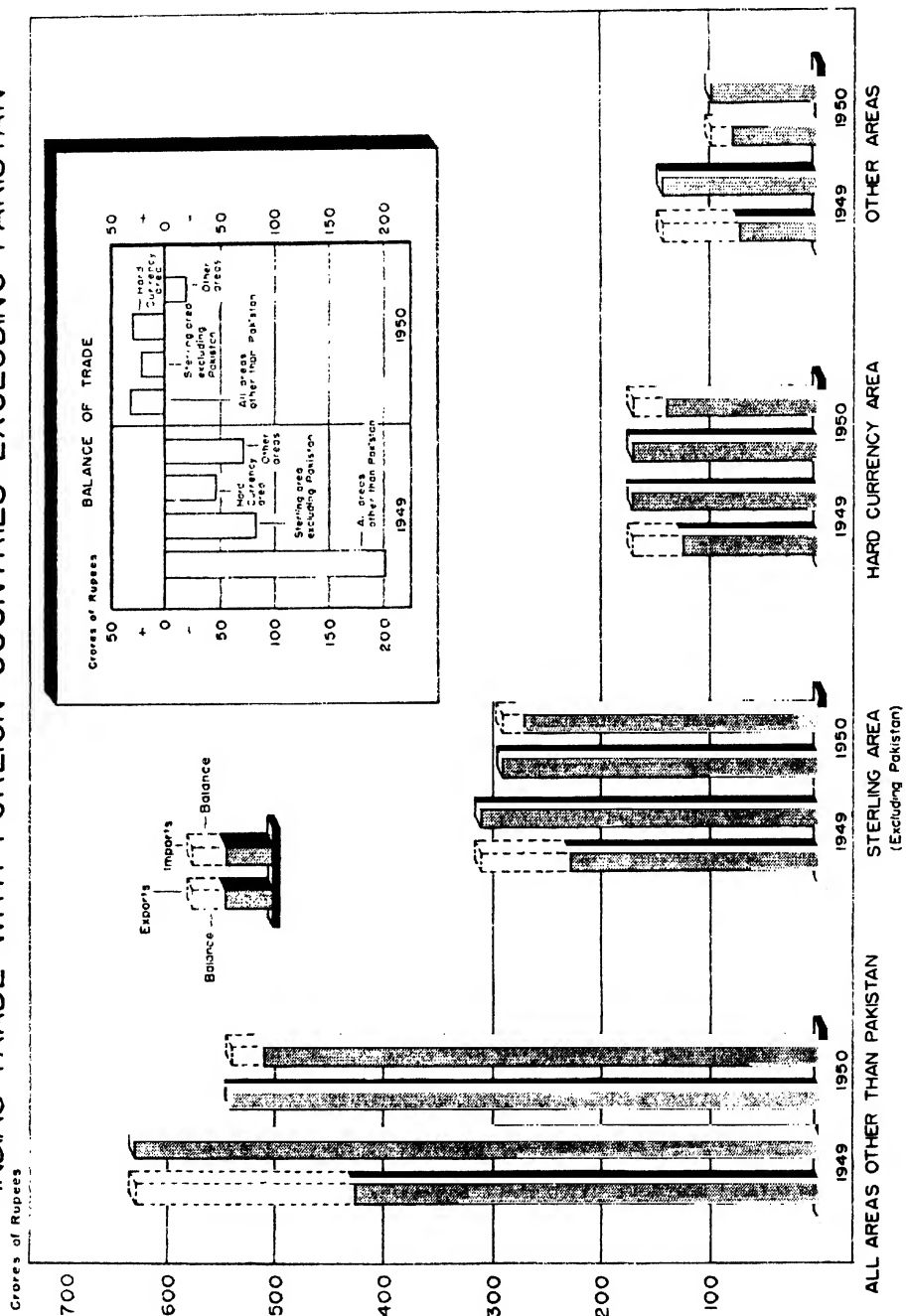
GRAPH 28

INDIA'S BALANCE OF PAYMENTS 1949 - 1950

CURRENT ACCOUNT



INDIA'S TRADE WITH FOREIGN COUNTRIES EXCLUDING PAKISTAN



in the quarter April-June 1950 are reflected in the higher figures for the subsequent quarters. Imports of machinery and electrical plant did not increase in spite of free licensing because of non-availability, while imports of non-ferrous metals which were liberalised in July 1950 show increases in the third and fourth quarters of 1950. Imports of yarn had been allowed to meet the deficiency in requirements of the handloom industry, while imports of cloth were under a ban. Increased imports of food became necessary as a result of shortages brought about by the earthquakes and floods in Assam in August 1950 and the near-famine conditions in Bihar and Madras which developed later. These factors explain partially the steady increase in food imports since the third quarter of 1950.

The year 1950 witnessed a gradual liberalisation of imports. While the re-emergence of the sellers' market in all goods had made liberalisation necessary to keep the economy going, the improvement in the foreign exchange reserves had made such liberalisation possible. Imports of industrial raw materials like raw cotton and non-ferrous metals, packaging materials like tea chests, and drugs and medicines had already been liberalised. In August a very liberal O.G.L. XX was introduced and in November 1950, a fresh O.G.L. XXI was issued. Originally, O.G.L. XXI was intended to replace O.G.L. XX, but O.G.L. XX was also later on extended to cover the period January-June 1951.

In spite of these measures of liberalisation, the volume of imports could not increase appreciably because of non-availability of goods or longer delivery dates.

(3) *Exports*.—Statement 75 gives the value of exports in 1950 by regions and quarters.

Viewing the year as a whole, the value of exports of jute manufactures showed a slight reduction as compared with the previous year, while the values of exports of cotton manufactures, oils, oilseeds, spices, hides and skins, gums, resins, and lac showed spectacular increases.

Statement 79 gives the value of exports by groups of commodities for each quarter for the year 1950. Exports of 'food', 'raw materials', and 'manufactures' declined in the second quarter as compared with the first. For the third quarter, there was an appreciable increase in exports of articles in the food group relatively to the first and second quarters, mainly due to an improvement in exports of tea, tobacco and fruits and vegetables. These encouraging trends were carried further in the last quarter of 1950. 'Raw materials' and 'manufactures' showed increases; the improvement in the latter was most marked during the fourth quarter. Almost all components of the two groups shared in the increase with the exception of raw jute (which continued under an export ban), but the bulk of the contribution was made by oils and oilseeds in the 'raw materials' group and mainly cotton textiles in the 'manufactures' group.

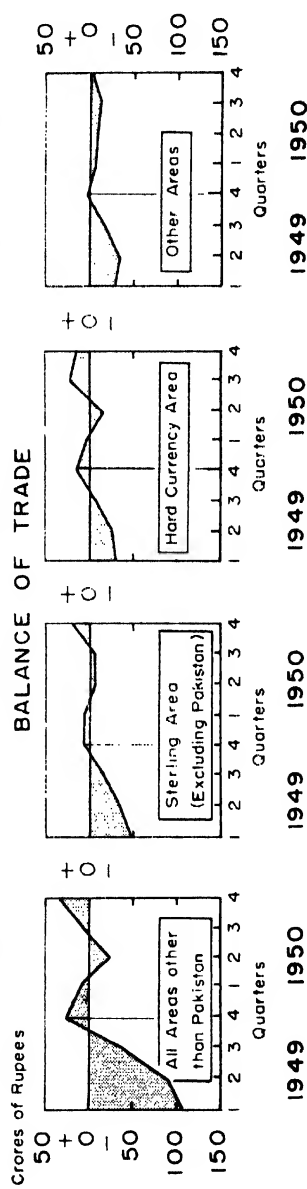
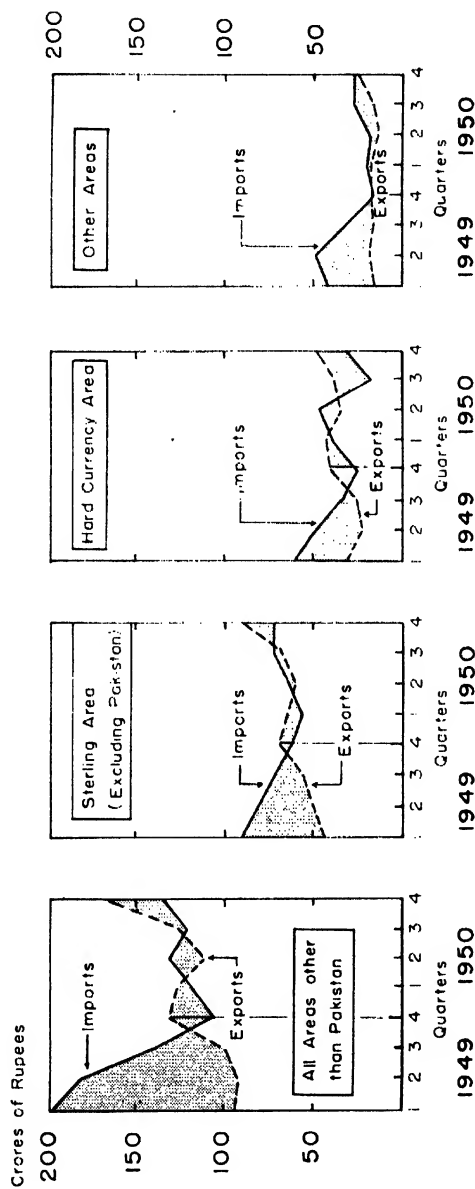
Statement 78 gives statistics of the value of the more important commodity components of exports to the United States by quarters. These were the lowest during the quarter April-June 1950 (as also in April-June 1949). In the third and the fourth quarters exports picked up again more in the third compared with the fourth quarter. The two strategic materials, manganese ore and mica, not only failed to register any increase but even declined steeply.

The low level of exports to both the soft currency area and the hard currency area in the first three quarters can be accounted for mainly by the low level of exports of jute manufactures as a result of lower production which came down to 836,000 tons in 1950 as against 916,000 tons in 1949. In January-March 1950 production of jute manufactures was at a low level as supplies of raw jute had been scarce because of the trade deadlock with Pakistan, and the detention by Pakistan of jute in transit from Assam and of shipments of jute bought and paid for before devaluation. The position of jute supply became somewhat acute in March 1950. However, the conclusion in April 1950 of a short-term trade agreement under which I.J.M.A. was to get 8 lakhs of bales of hubbi-jhubbies, rejections and cuttings, eased the position. But even these supplies, though they temporarily helped to improve the position, could not help the I.J.M.A. to restore production to its normal level. On the demand side, following the Korean War, the demand for packaging materials had been on the upgrade. Hessian, which in the previous year, was subject to increasing competition from cotton and multi-wall paper bags, no longer suffered from this competition as the prices of competing products also rose while their supplies had grown smaller. Prices of hessian and sacking in India had been controlled under the Jute Goods Control Order of October 1949. As a result of the increased demand for packaging materials, a wide gap had come to exist between the foreign and controlled domestic prices for hessian and sacking and this helped to bring about some leakage of foreign exchange and transactions above ceiling prices fixed by the I.J.M.A. To bridge this gap between the controlled prices in India and the free prices abroad, the export duty on hessian was increased in stages to Rs. 1,500 per ton. The price of sacking which was mainly marketed in the soft currency countries also reflected a sympathetic rise in foreign markets and the export duty on sacking too had had to be increased to Rs. 150 and later to Rs. 350 per ton. The directional control on shipments of jute goods had been removed as an experimental measure in October 1950, but the step was not found to be in the best interests of the jute industry and so directional control was restored again in November 1950. Exports of jute goods to soft currency countries which were on a quota basis, remained unfulfilled due to the shortage of raw material and were extended to cover the period upto March 1951. The United States was the principal consumer of gunny cloth importing goods worth Rs. 33·56 crores in 1950 (*vide* Statement 80); the United Kingdom and Canada accounted for Rs. 4·42 crores and Rs. 4·14 crores, respectively. In gunny bags, Australia was the principal consumer, buying bags worth Rs. 11·90 crores in 1950 and Cuba came next with Rs. 6·58 crores.

Production of tea increased from 585 million lbs. during 1949 to 600 million lbs. during 1950. This enabled the total export quota to be raised. A significant feature was the increase in the export of Indian tea to the United States from Rs. 5·88 crores in 1949 to Rs. 7·20 crores in 1950 (*vide* Statement 81). Exports to Canada were also higher at Rs. 4·77 crores in 1950 as against Rs. 3·91 crores in the previous year. During the year, prices of Ceylonese tea continued to rule higher as compared with the prices of Indian tea, which factor, when taken in conjunction with the higher level of export duty prevalent in Ceylon, explains the competitive advantage that Indian tea enjoyed in most markets.

In the case of cotton textiles in which India became a leading exporter, exports touched record levels, assisted, in part, by the removal of control on export prices. Exports of fine and superfine cloth, which were generally produced out of imported

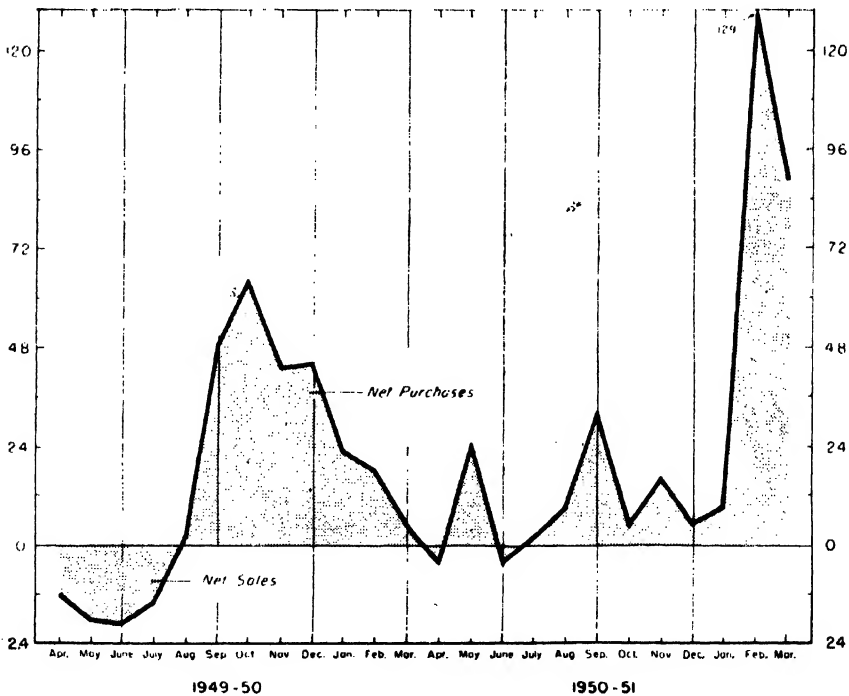
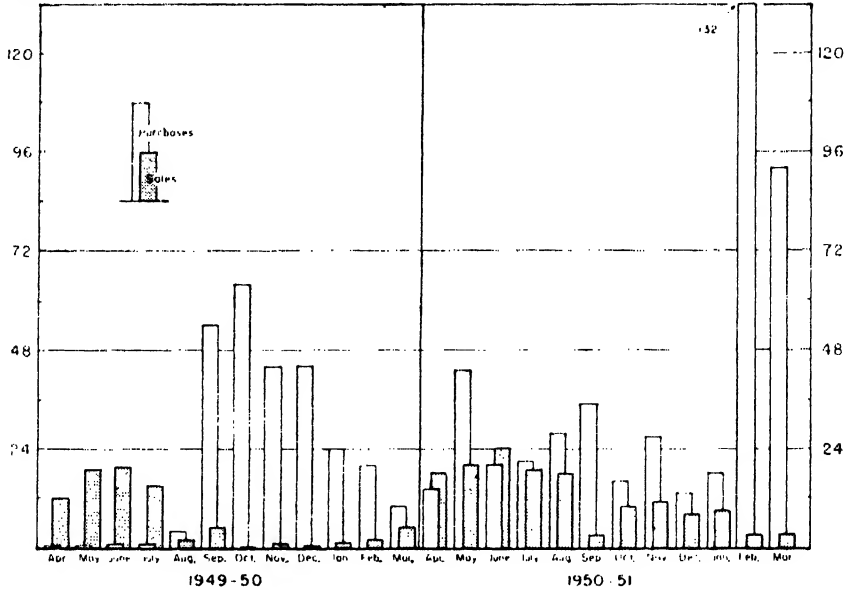
QUARTERLY MOVEMENTS IN INDIA'S EXPORTS AND IMPORTS



GRAPH 31

STERLING TRANSACTIONS OF THE RESERVE BANK OF INDIA

Crores of Rupees



cotton continued to be free, while a fairly large quota of 1,000 million yards had been fixed for coarse and medium cloth for the period September 1949 to December 1950 for export to soft currency countries. But as this quota was exhausted before March, licensing of medium and coarse cloth was suspended for sometime (from April to July 1950) which explains the decline in exports of cotton yarn and manufactures during the second quarter of 1950 (*vide* Statement 82). A further quota of 125 million yards of coarse and medium cloth was announced for soft currency countries for the period August-December 1950. Exports of medium and coarse cloth to hard currency countries, however, had been left free, and exports of yarn, which were free up to June 1950 were increasingly restricted from September 1950 and were banned from January 1951 to conserve supplies for home use. Export of fine and superfine cloth which was freely allowed was suspended for a short period from January 1951.

Exports of manganese and mica did not react to the high prices and declined steadily during the third and the fourth quarters. It was only in January 1951 that they surpassed the level attained in April-June 1950. Exports of black pepper steadily increased throughout the period mainly due to the fact that production in Indonesia did not revive sufficiently and the competition from synthetic pepper did not take the shape that it was expected to take, especially as consumers showed a decided preference for natural pepper.

77. *Indo-Pakistan Trade and Balance of Payments.*—The circumstances under which normal commercial relations between India and Pakistan came to be suspended from September 1949 when Pakistan decided not to devalue its currency along with other members of the sterling area, were described in last year's Report. With a view to reopening trade relations, the two Governments conducted negotiations early in the year and concluded a short-term agreement signed on 21 April 1950, valid in the first instance, upto 31 July 1950. This agreement provided for limited resumption of trade. The fact that agreement on the exchange rate between the two rupees had still not been secured was not allowed to stand in the way of trade, since the movement of commodities was so arranged as to achieve a balance between imports and exports in terms of the Indian rupee. The pivot of the trade agreement was a deal between the Indian Jute Mills' Association and the Pakistan Jute Board for the sale by Pakistan of 8 lakh bales of certain descriptions of raw jute in terms of Indian rupees which were credited to an account of the State Bank of Pakistan with the Reserve Bank of India and made available to Pakistan for the purchase in India of specified quantities of commodities, *e.g.*, jute manufactures (20,000 tons), cotton textiles (45,000 bales), mustard oil (7,000 tons), steel (5,000 tons), etc. Besides these self-balancing items, a number of commodities were allowed to be freely traded between the two countries, neither of the Governments undertaking to provide any foreign exchange required in respect of these commodities. Although this agreement made possible a limited resumption of trade, the practical difficulties in operating the agreement were considerable. In the first place, Pakistan could not adhere to the time schedule agreed to in regard to the deliveries of raw jute, necessitating an extension of the period of the agreement to 30 September 1950. This also meant a considerable delay in the movement of commodities from India which depended for finance on the rupees accruing to Pakistan on the sales of raw jute. On the other hand, in the absence of an effective exchange rate, with the unwillingness of the State Bank of Pakistan to sell Indian rupees at parity rate and its insistence that commer-

cial banks should deal in Indian rupees (at the parity rate) out of their own resources, the trade that took place in the free sector (*i.e.*, in those commodities for which the Governments would not provide the exchange) was highly restricted, the few transactions having been arranged either through finance obtained in the 'free' market or on a barter basis. Even so, the total value of trade conducted by India and Pakistan during the period April to September 1950 amounted to Rs. 43 crores (imports Rs. 24 crores and exports Rs. 19 crores). Supplies of raw jute from Pakistan accounted for Rs. 12 crores, almost the whole of which was spent by the latter for purchase of jute and cotton manufactures and few other items. Trade in the free sector, however, showed a deficit of Rs. 5 crores against India, imports and exports being placed, respectively, at Rs. 11 crores and Rs. 6 crores.

This agreement expired on 30 September 1950. In the meantime Pakistan had been accepted as a member of the International Monetary Fund in July 1950, and it had communicated the initial par value of its rupee. Owing to certain difficulties, however, the Fund's decision was delayed. In the meanwhile, the Korean War which had broken out introduced an entirely new factor in the world's raw commodity markets. The demand for them was greatly stimulated, and the stock-piling and rearmament programmes of the different nations of Europe and America pushed up raw material prices all round. The primary producing countries of the world, and this includes Pakistan, apparently faced an exceptionally strong sellers' market. India, on the other hand, was experiencing an acute shortage of raw jute at a time when the demand for jute manufactures abroad was at a peak. Thus the relative supply-demand positions had vastly altered from what they were in September 1949. In view of this radical change, India on its own initiative resumed trade negotiations with Pakistan early in February 1951. On 25 February a satisfactory agreement was signed between the two countries. India accepted the official par value of the Pakistan rupee as communicated by the Government of Pakistan to the Fund. India also instituted exchange control with Pakistan on 27 February. The Reserve Bank simultaneously announced that it would buy and sell Pakistan rupees at the rates of Rs. 69-8-3 and Rs. 69-6-6, respectively, for 100 Indian rupees; the corresponding rates in Pakistan were Rs. 144-0-9 and Rs. 143-13-3, respectively, for buying and selling 100 Pakistan rupees. Soon after, on 19 March, the Fund announced that it had accepted the par value of Pakistan rupee as communicated to it. Decision having been taken on the exchange rate, the two Governments agreed upon a mode of settlement of transactions between the two countries according to which the rupee balances accumulated by the respective central banks on account of current transactions would be convertible into sterling without any restrictions. This agreement is to remain valid for a period of about 16 months upto 30 June 1952.

As regards the main features of the trade agreement, although the volume of trade contemplated was in most cases below that provided in the agreements concluded in the pre-devaluation period, all the important commodities needed by each other have found a place in the list of items to be exchanged between the two countries. India has secured a quota of 35 lakh bales of raw jute (10 lakh bales during the period upto 30 June 1951 and the balance in the next 12 months). Pakistan would also sell to India 7.7 lakh tons of foodgrains, deliveries in this case extending upto October 1952. Among India's exports to Pakistan, mention may be made of coal (2.1 million tons, of which 0.6 million tons to be supplied before 30 June 1951), mill-made cloth (75,000 bales), cotton yarn (15,000 bales) and jute manu-

factures (62,500 tons). Another feature of the agreement is the list of commodities which would be placed on O.G.L. for both imports and exports by the two Governments. Included in this are many commodities in which the two countries have a large border trade. In respect of all other commodities, both the Governments have agreed to grant each other import and export facilities not less favourable than those given to any other country in the soft currency area.

Statement 84 gives the payments position of India with Pakistan in the year 1950, and during the 12 months ended June 1949 and June 1950. It also provides a half yearly breakdown of transactions for the year 1950.

India's transactions on current account with Pakistan in the year 1950 were approximately in balance unlike in the earlier periods when it incurred sizable deficits in its trade with Pakistan. There was only a small deficit of Rs. 2.0 crores in 1950 as compared with a deficit of Rs. 34.1 crores in the year ended June 1949. But this improvement took place at the cost of a great shrinkage of trade between the two countries; the total value of trade during 1950 at Rs. 64 crores was only about a third of what it was in the year ended June 1949. Imports in 1950 amounted to Rs. 33 crores as compared with Rs. 117 crores in the year July 1948-June 1949, while exports declined from Rs. 83 crores to Rs. 31 crores. The overall figures for 1950, however, conceal the divergent features of the trade during the two halves of the year. The bulk of the trade in 1950 took place in the second half of the year, the value of the total trade during that period aggregating Rs. 50 crores as against only Rs. 14 crores during the first half. This was in the main the result of the April trade agreement, the implementation of which had been delayed and the effects of which were carried well into October 1950. Imports in the first half of 1950 amounted to Rs. 5.6 crores and exports to Rs. 8.4 crores, yielding a favourable trade balance of Rs. 2.8 crores. The accelerated flow of trade during the second half of the year was, however, accompanied by the re-emergence of an unfavourable trade balance of Rs. 4.8 crores. But the changed trade pattern of the second half of the year resulted mainly from transactions conducted in the quarter ended September 1950, as may be seen from the following figures :—

	(Crores of Rupees)			
	Jan.-March 1950	April-June 1950	July-Sept. 1950	Oct.-Dec. 1950
Imports	0.37	5.26	18.35	9.00
Exports	3.08	5.35	13.70	8.85

Transactions on capital account in 1950 indicate a net transfer of funds to Pakistan of Rs. 3.2 crores, while the current account showed a deficit of Rs. 2.0 crores. It is worth noticing that almost the whole of the outflow of Rs. 3.2 crores took place on official account through a reduction in the balances held in India by the State Bank of Pakistan which was free to utilise its accumulated balances.

78. *Developments in Trade Policy.*—Indian foreign trade policy in 1949-50 had been shaped chiefly by the necessity to reduce the deficit in balance of payments by expanding exports and reducing imports. Even prior to the devaluation in September 1949, a restrictive import policy which mainly eliminated non-essentials and allowed imports of capital goods and industrial raw materials had already been adopted. Thanks to devaluation and Government's efforts to promote exports there was a sizable increase in exports, while imports were at a lower level as a result also of the virtual stoppage of trade with Pakistan since September 1949. Consequently, the foreign exchange position showed considerable improvement which rendered liberalisation of imports possible in 1950-51.

Prior to July 1950, Government had taken various steps to improve the system of import control. The administration of import control had been strengthened and increased powers were delegated to the Import Controllers at the ports and the period of licensing was extended. But there were still complaints about delay in licensing and import control administration generally. The Import Control Enquiry Committee was, therefore, appointed with the following terms of reference :—

- (1) To enquire into the working of import control with reference to
 - (i) the procedure followed in the fixation of import quotas for individual commodities,
 - (ii) the procedure and methods followed in dealing with import licences,
 - (iii) the organisation of the existing machinery for import control, and
 - (iv) any other matter incidental to the working of import control organisation and

- (2) To make recommendations on the above subject with a view to improving the efficiency of import control organisation in such a way that applications for licences might be promptly dealt with and disposed of and complaints against its working be removed.

The Committee submitted its report in October 1950 and its main recommendations related to achieving stability in import policy, in three principal directions : in overall exchange allocations, in general licensing policy in respect of particular commodities and in administrative methods and practices. Without such stability, the Committee felt that import control would be liable to serious fluctuations causing uncertainty in trade and consequent dislocation in commercial dealings. One of the principal recommendations of the Committee to ensure the desired stability was to fix a minimum annual allocation of Rs. 400 crores for commercial imports in the foreign exchange budget for imports for the next two years so as to reduce fluctuations as far as possible. The basic objective of the import control policy, according to the Committee, should be (1) to limit the aggregate imports on Government and commercial accounts to the total available foreign exchange earnings including sterling releases, (2) to distribute the available foreign exchange resources in the most equitable manner with a view to securing planned development of agriculture and industry and to meet the essential requirements of the consumers and (3) consistently with the above objectives, to moderate the fluctuations in prices of particular commodities where they might have risen above the parity of general prices.

Decentralisation of licensing procedure, extension of free licensing system, licensing by areas and not by countries, increased facilities to newcomers and steps towards the improvement of the efficiency of the import control organisation were some of the principal recommendations made by the Committee.

The Committee recommended the indefinite continuance of existing O.G.Ls to be followed by a gradual liberalisation of imports of licensable articles. However, no new article was to be placed on O.G.L. till Government felt certain that they would maintain it on O.G.L. for a long time. The Committee also suggested a revision of the existing order of priorities. Pending such a revision, the Committee suggested the following order of priorities for the next two years :—

1. Raw materials for existing industries,
2. Spare parts and accessories,
3. Machinery and equipment for agricultural production,
4. Plant and machinery for replacement.
5. Consumer goods essential to the life or health of the community,
6. Machinery and equipment for industries likely to increase production or reduce costs incurred,
7. Machinery for the establishment of new industries and
8. Non-essential goods.

The Committee also recommended that the licensing period in the case of most imports should cover at least one year instead of six months as at present and three years in case of capital goods and heavy electrical plant and machinery.

The Government of India by a resolution in January 1951 accepted most of the recommendations. As regards the order of priorities, the Government felt that such an elaborate order of priorities would be difficult to administer. While Government had noted the figure of Rs. 400 crores suggested by the Committee as the minimum essential for India's commercial imports, they announced that they would endeavour to maintain a high and stable level of imports consistently with their essential import obligations and foreign exchange earnings. The Government also decided to implement most of the recommendations, some of them for January-June 1951 and some from July 1951.

Some of the major recommendations such as (1) long-term licensing and (2) issue of licences only on the basis of 'hard' and 'soft' currency areas and not for individual countries were embodied in the licensing policy for January-June 1951, which was announced on 15 December 1950. In fact, long-term licensing had already been given effect to in the import policy for the shipping period July-December 1950.

In the first half of 1950 exports had shown an increase partly as a result of devaluation but also as a result of various steps taken by the Government for the promotion of exports. Several items of export were placed on the O.G.L. and a simplified licensing procedure regarding several commodities was introduced. But the year 1950-51, in general, saw a gradual reversal of the policy of liberalisation of exports and its substitution in several directions either by the temporary suspension or even the banning of exports or by export allocations. Thus the export of raw wool was

banned on 7 July 1950, though this was relaxed again on 11 November 1950 and a quota of 15 million lbs. was fixed for export. Jute and jute manufactures continued to be on a quota basis for export to the soft currency countries and due to the precarious raw jute supply position, a large number of quotas for the period May-December 1950 which could not be fulfilled were extended to March 1951.

Devaluation had improved the competitive position of Indian cotton textiles. The removal of price control on cotton textiles for export in January-February 1950 had increased the incentive to export. The net result was that the entire quota of 1,000 million yards of medium and coarse cloth for September 1949-December 1950 was exhausted by March 1950. Licensing of exports of coarse and medium varieties to soft currency countries had, therefore, to be temporarily suspended, though on 21 July 1950 a supplementary quota of 125 million yards was issued for August-December 1950. Exports of fine and superfine cloth to all countries and exports of medium and coarse cloth to hard currency countries were free. Exports of cotton textiles on such a large scale, and the decline in textile production following the strike in Bombay mills from mid-August to mid-October 1950 created a severe shortage in the domestic market and exports of fine and superfine cloth were suspended on 12 January 1951. Exports of yarn of all counts were also suspended with effect from 5 January 1951, exports of yarn of 30s and below having been already suspended from 15 September 1950. A quota of 20 million yards of coarse and medium cloth for hard currency countries and another quota of 100 million yards for soft currency countries were fixed for January-June 1951.

Exports of groundnuts were suspended in February 1950, though the ban was lifted on 22 September 1950 when it was decided to permit upto 8,000 tons till December 1950 to hard currency countries including Switzerland and upto 20,000 tons to all permissible destinations in January-February 1951. As this quota was exhausted exports of groundnuts were banned again on 24 February 1951. To conserve supplies for domestic use, exports of groundnut oil and hand picked selected groundnuts had already been banned on 8 January 1951. On 8 March 1951 exports of linseed oil, and of kardi seed, were also suspended.

A larger crop of tea during the current year made possible the raising of the total export quota fixed at 435 million lbs. to 453 million lbs. With a view to developing Calcutta as an important tea market, however, the Government of India decided to restrict the exports of tea to Britain to 275 million lbs. for London auctions *plus* 35 million lbs. on firm sale besides such other quantity as the British dealers may buy at the Calcutta auctions.

A significant by-product of the scarcity of the materials and the emergence of the sellers' market during the year was the levy of new export duties and of increases in the existing rates of such duties. The duty on hessian was raised in stages from Rs. 350 to Rs. 750 on 21 October 1950 and later, on 20 November 1950 to Rs. 1,500 per ton ; the duty on sacking was raised on 20 November 1950 from Rs. 50 to Rs.150 per ton and on 30 March 1951 to Rs. 350 per ton. Export duties of 30 per cent *ad valorem* on wool and 50 percent *ad valorem* on cotton waste were levied on 20 November 1950. The export duty on raw cotton was raised on 8 November 1950 from Rs. 100 to Rs. 400 per bale. Export duties of Rs. 80 per ton on groundnuts and 10 per cent *ad valorem* on medium and coarse cloth were also levied on 1 March 1951. The basis of the export duty on black pepper was changed from tariff value

to real value on 21 June 1950 but again on 2 September 1950 the duty was fixed at Rs. 120 per cwt. which was subsequently raised to Rs. 150 per cwt. on 1 March 1951.

79. *Trade and Tariff Agreements.*—In 1949-50 the Government of India had entered into several trade agreements and barter deals with foreign countries. In 1950-51 the agreements were either renewed or extended and new agreements with other countries were entered into. Barter deals were generally made with a view to securing an assured supply of food which was scarce ; such agreements were concluded with Argentina, Egypt and China, while trade agreements were concluded with Pakistan, Czechoslovakia, Switzerland, Germany, Sweden, Austria, Norway, Spain, Japan and Indonesia. Besides a treaty of commerce was signed with Nepal. Trade delegations from Iraq and Tibet also visited India with a view to negotiating trade agreements. The details of these agreements are given in Statement 85.

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At the conference of representatives of contracting parties to the General Agreement on Tariffs and Trade which began in September 1950 at Torquay and came to a close on 21 April 1951, India along with other countries signed the 'Final Act', and also the documents enabling the accession of six more countries to GATT and extending the life of the schedules to GATT upto 31 December 1953. With the accession of these six more countries, the percentage share in the world trade of the GATT countries rose to about 85 per cent. India negotiated with five out of six countries, namely, Austria, Western Germany, Peru, Philippines and Turkey. It did not, however, enter into negotiations with South Korea.

Although the GATT permitted the contracting parties to negotiate among themselves after the agreement had been in force for the first three years, for modification or withdrawal of any particular concession granted earlier, India did not find it necessary to seek modification of any of the concessions as granted earlier by it. It was also found that it would not be possible to modify India's schedule of concessions without serious loss to India of benefits now extended to Indian products by the contracting parties. Consistent with this position, India signed a declaration agreeing to continue in force the tariff concessions granted by it under GATT. India also agreed not to seek any modification in respect of the concessions prior to 1 January 1954.

The request for withdrawal of certain concessions made by France under the relevant provisions of GATT affected the benefits accruing to India's trade under the General Agreement and accordingly India concluded negotiations with France for compensatory concessions. As modifications or withdrawal of concessions sought by other contracting parties did not affect India's trade substantially no direct negotiations for compensation were found necessary. India had sought additional concessions from Australia, Canada, France, Norway, Syria and Lebanon, the U.S.A. and Indonesia, while Denmark, Czechoslovakia, Italy and Sweden requested fresh tariff concessions from India. It was, however, possible to enter into agreements with only three countries, namely, Canada, Denmark and Indonesia.

80. *Tariff Board.*—During the year 1950-51 the Board conducted about 29 investigations and Government's resolutions on the reports regarding protection to the following industries were announced :—

Group I—(1) Dry Battery, (2) Plywood and Tea Chests, (3) Sericulture and (4) Grinding Wheels.

Group II—(1) Fine Chemicals, namely, Calcium Lactate, (2) Fountain Pen Ink, (3) Sago (Tapioca globules), (4) Pencils, (5) Oil Pressure Lamps and (6) Buttons.

Group III—(1) Fine Chemicals, namely, Sodium Citrate, Iron and Ammonium Citrate, Potassium Citrate, (2) Sterilised Surgical Catgut, (3) Liver Extract and (4) Belt Fasteners.

Group I consists of industries already enjoying protection and whose claims for extension of protection were accepted by the Board, for periods ranging from one to three years. In almost all the cases the existing rates of protective duties and concessions were continued and there was no enhancement or reduction. The Government accepted the recommendations for extension.

Group II comprises industries whose claims for protection were examined for the first time and accepted by the Board. In all cases the existing revenue duties were converted into protective duties for a period of two to three years.

Group III gives a list of industries seeking protection for the first time whose claims for protection were rejected by the Board. The Board felt that the fine chemicals industry producing the three citrates, namely, sodium, iron and ammonium and potassium did not require any assistance. It was suggested that the fine chemicals industry should take steps to produce citric acid within the country, in order to enable the industry to work on sound lines. The recommendations of the Board that import policy should be so framed that imports are allowed only to the extent that indigenous demand exceeds indigenous production, and that steps should be taken to maintain separate statistics of imports of calcium lactate, sodium, iron and ammonium, and potassium citrates were accepted by Government. As regards sterilised catgut industry, it was felt that the existing revenue duty was adequate to safeguard the interests of the industry and there was no case for any additional protection to the industry. In the case of liver extract industry, the fair selling prices of indigenous products being appreciably lower than the landed cost ex-duty of comparable imports, it was held that there was no case for protection. Protection to belt fasteners industry was also refused on similar grounds.

The Board also conducted enquiries about cotton and hair belting industry and electric motors industry, with a view to considering whether any alteration was necessary and a report about the former was submitted.

Besides, the Board conducted price enquiries (in certain cases) and submitted their reports on the fair retention prices of tinsplate and revision of fair prices of super-phosphate. The Board also completed enquiries about the price of raw rubber.

The Fiscal Commission appointed by the Government of India by a resolution dated 20 April 1949 submitted its report in July 1950. It accepted tariff protection as primarily a means to and as one of the instruments of policy which could be employed for further economic development of the country. Protection of industries should be related to an overall planning of economic develop-

ment. However, until such a plan was approved protection should continue to be granted on the following principles :—

Firstly, industries coming under the planned sector immediately should be grouped into the following classes :—

- (1) Defence and other strategic industries,
- (2) Basic and key industries and
- (3) Other industries.

Industries falling under group (1) should be protected on national considerations whatever the cost be, while in the case of industries coming under group (2), the Tariff Authority should decide the form of protection and the quantum thereof, lay down terms and conditions for the grant of protection or assistance and review from time to time, the extent to which these conditions had been or were being complied with by the protected industries. As regards industries in group (3), the criteria to be applied for granting protection should be the economic advantages enjoyed by the industry, its actual or probable cost of production, possibility of its development within a reasonable time and its ability to carry on successfully without protection or assistance and/or it should be an industry to which it is desirable in the national interest to grant protection or assistance, the probable cost of such protection or assistance to the community being not excessive. Secondly, the claims of the industries which do not come under the approved plan should be considered by the Tariff Authority in the light of the criteria set out above.

Thirdly, where no approved plan for an industry existed, similar criteria were to be applied for granting protection.

The Commission held that a single factor such as the local availability of raw materials or the ability of an industry to meet the entire domestic demand should not be regarded as preconditions for the grant of protection. In considering the claims for protection, other factors such as potential internal market, availability of labour and the comparative advantages of an industry *vis-a-vis* its rivals should also be given due consideration. In case of embryonic industries, the Commission recommended that the Tariff Authority should examine the facts and estimates relating to the industry and the nature of foreign competition that it was likely to encounter before granting protection. Similarly, agricultural products might also be protected subject to certain reservations. In this connection, the Commission felt that the levy of excise on protected articles would be inadvisable and should be resorted to only where it was needed for budgetary purposes and where no alternative sources equally suitable were available. Fixing the prices of raw materials of protected industries by legislation could, according to the Commission, be resorted to whenever such action became necessary. The form and method of protection in each case should depend on the nature of the commodity. Other recommendations of the Commission included (1) the creation of a Development Fund by setting aside every year a portion of the revenue from protective tariffs so as to grant subsidies where necessary, (2) establishment of an 'after-care' organisation to provide facilities necessary for rapid development of industries, and (3) the setting up of a permanent Tariff Commission with five members including the Chairman which should be entrusted with (i) tariff enquiries proper (ii) enquiries into cases of alleged dumping (iii) enquiry into variation of protective and revenue duties and (iv) enquiry into tariff concessions under trade agreements.

As regards the question of continuation of participation in GATT, the Commission analysed the concessions granted and received by India under the General Agreement on Tariffs and Trade and found that no definite conclusions as to the effect of these concessions could be drawn. The Commission, however, felt that it would not be to India's advantage to keep out of the General Agreement on Tariffs and Trade till the future of ITO was definitely known. The existing principles for negotiating tariff reductions were according to the Commission sound. The Commission recommended that in all future tariff negotiations Government should keep in view, in the case of tariff concessions to be received, (1) commodities which meet with competition from similar commodities in the world markets, (2) commodities which meet with competition from possible substitutes from other countries in the world markets and (3) manufactured commodities rather than raw materials and in the matter of granting tariff concessions India should concentrate on (i) capital goods, (ii) other machinery and equipment and (iii) essential raw materials.

They also made three further suggestions, namely, that (1) the special export requirements of the unorganised cottage and small scale industries should be borne in mind and efforts should be made to secure for them concessions in the foreign markets, (2) a watch should be kept on the course of trade in GATT items and (3) before any fresh negotiations are started, representatives of trade, industry and other interests should be consulted as regards the nature of the concessions that India might claim from other countries.

The Government have not yet announced their decisions on the report of the Commission. However, they introduced in March 1951 a Bill to set up a Tariff Commission.

VII. EXCHANGE CONTROL

81. *Sterling Transactions*.—Statement 86 and Graph 31 indicate the course of sterling transactions in the current year and the year 1949-50. During the current year, sterling transactions resulted in net purchases of £235·56 million (Rs. 313·95 crores) as against £139·55 million (Rs. 185·98 crores) in the previous year. Purchases of sterling exceeded sales throughout the year except in April and June, when heavy commercial payments and a temporary recession in exports resulted in net sales, respectively, of £2·81 million (Rs. 3·76 crores) and £2·63 million (Rs. 3·52 crores). A feature of the transactions during the year was the exceptionally heavy purchases of sterling booked in the months of February and March. Net purchases in the two months alone accounted for £163·69 million or about 70 per cent of the total.

82. *Exchange*.—The Reserve Bank continued to buy sterling T. T. from banks for delivery within six months at 1s. 6d. and to sell for ready delivery at 1s. 5-63/64d. The Bank also sold sterling for delivery upto six months forward at 1s. 5-31/32d. but the demand was negligible.

In the sterling exchange market, banks' quotations to the public for ready T. T. remained unchanged throughout the year at 1s. 5-31/32d. selling and 1s. 6-1/32d. buying. Banks continued to quote forward buying rates for delivery upto one year, the T. T. buying rate for the last three months being quoted at 1s. 6-1/16d.

as against the rate of 1s. 6-1/32d. for the first nine months. The forward selling rate for sterling T.T. for delivery upto six months remained unchanged at 1s. 5-15/16d.

The London/New York cross rate which was fixed at 2·79-7/8 selling and 2·80-1/8 buying remained constant during the year, the corresponding rupee rates in India being quoted at Rs. 477-½ for \$100 selling and Rs. 475 buying.

Transactions in other foreign currencies in the Indian market were comparatively few except for a certain amount of business in Canadian dollars.

83. *Developments in Exchange Control.*—There was no change in the basic system of exchange control during the year under review. Some of the minor alterations in the regulations governing transactions with certain countries are detailed below :—

(1) Section 18 of the Foreign Exchange Regulation Act, 1947 was amended on 20 April 1950 so as to disallow the transfer of control of a company from residents of India to residents of the United Kingdom and the granting of loans and advances to persons resident in the U.K. and to companies (other than banking companies) controlled directly or indirectly by residents of the U.K. except with the prior approval of the Reserve Bank.

(2) The list of hard currency countries underwent considerable changes during the year. On 10 May 1950 Paraguay was removed from the list, and Liberia was added to it from the 20th of the same month. Following the inception of the EPU, Belgian Monetary Area, Western Germany and Switzerland came to be treated as soft currency countries, the change in respect of the first two coming into effect from 18 August 1950 and Switzerland from 6 November 1950. The list of scheduled territories was amended with the inclusion of the Hashemite Kingdom of Jordan with effect from 1 July 1950.

(3) Following the termination of an earlier agreement concluded by the U. K. with Paraguay, the Special Account and Sterling Area Account systems governing transactions with Paraguay came to an end and from 1 July 1950, the sterling accounts of residents in Paraguay with banks in the U. K. were designated as Paraguayan Accounts. Sterling held in Paraguayan Accounts was available for making payments to residents in scheduled territories and for transfer to other Paraguayan Accounts. Payments for exports from India to Paraguay may be received in sterling from a Paraguayan Account or in rupees from the account of a bank in Paraguay.

(4) Denmark including the Faroe Islands and Greenland, Austria and Greece joined the 'Transferable Account' group of countries with effect from 6 December 1950 and 19 January 1951, respectively. Payment for exports from India to these countries was accordingly to be received in sterling from an account of a resident of these countries or any other transferable account or in rupees from an account of a bank in those countries. In the case of exports to Denmark, payment could be obtained also in Danish or Faroese Kroner.

(5) The Dutch East Indies guilder was removed by the U. K. Control from the list of specified currencies from 6 December 1950. The method of payment

for exports to the Republic of Indonesia and the Dutch New Guinea thereafter was (a) sterling from an appropriate account, or (b) rupees from the account of a bank in these territories.

(6) With effect from 21 March 1951, the Bank of England discontinued designating Sterling Accounts of residents in the French Franc Area with banks in the U. K. as French Account No. 1 or No. 2 and such accounts were designated as French Accounts. Payment for goods exported from India to the French Franc Area may be received in sterling from a French Account.

(7) Consequent on the decision of the Canadian Government to permit, as from 2 October 1950, the exchange rate for the Canadian dollar to fluctuate, the Bank of England decided to fix a daily rate of exchange for Canadian dollars in London and authorised dealers in India were advised by the Reserve Bank to book all their transactions in this currency on the basis of London Control rates advised to them from time to time. This arrangement continued till 16 October 1950 when the Bank of England decided to withdraw their official quotations for Canadian dollars and allowed authorised dealers in the U. K. to quote rates on the basis of supply and demand. Authorised dealers were accordingly advised by the Reserve Bank to make their own arrangements with their correspondents in London and/or Canada to obtain cover in Canadian dollars in London. Transactions in Canadian dollars were, however, subject to the normal exchange control regulations.

84. *Travel*.—The basic travel allowance to the United Kingdom and other sterling area and soft currency countries for pleasure or personal convenience remained unchanged at £ 450 per adult and £ 225 per minor available during the period of three years commencing from 1 November 1949 *plus* allowance for return fares. The scale of exchange facilities, namely, Rs. 2,000 per adult and Rs. 1,000 per minor once in three years available for travel to Iran, Iraq, Persian Gulf Ports, Saudi Arabia, Ceylon, Burma, Malaya and Indonesia also remained unchanged.

85. *Capital Transfers*.—The decision of the Government of India about the principles which would govern repatriation of foreign capital in India by residents outside India was announced in a Press Note issued in June 1950. The repatriation of capital owned by residents of the sterling area had always been freely allowed. From 1 May 1950, the Scandinavian countries, namely, Norway, Sweden and Denmark, were treated on a par with the sterling area countries for all capital transfers including repatriation of capital invested in India. In respect of capital owned by residents of countries other than the above, Government announcement covered the following facilities:—

(1) Capital invested after 1 January 1950 in projects approved by the Government of India might be repatriated at any time thereafter to the extent of the original investment and from the proceeds of that investment.

(2) Any part of the profits derived from investments and ploughed back into projects with the approval of the Government of India would be treated as investment for this purpose.

(3) Appreciation of any capital invested under (1) and (2) above would not, however, qualify for repatriation. In the case of investment by means of goods and

services the amount would be the rupee value of such goods or services as recorded in the books of the company or firm concerned at the time of investment.

(4) Such repatriation facilities would not apply to purchase of shares on the stock exchange, unless it was an integral part of an approved investment project.

(5) The above facilities would not apply to capital owned by residents of countries other than those mentioned above and invested in India before 1 January 1950.

86. *Financial Agreement with the United Kingdom.*—Owing to the favourable balance of payments position during the year, India had no occasion to use the sterling releases negotiated with the U.K. in August 1949. At a meeting of the Commonwealth Finance Ministers held in London in September 1950, the decision taken in the previous year to reduce dollar purchases by sterling area countries to 75 per cent of the 1948 level was reviewed. In the meeting it was decided that there should be no quantitative limitations on dollar purchases although an obligation would still rest on members to secure the maximum economy in their dollar expenditures.

The Sterling Balances Agreement entered into with the U.K. in July 1948 was to terminate on 30 June 1951. As a result of discussions held between the Government of India and the Government of the U. K., the two Governments have agreed on the broad outlines of a new long-term agreement to be formally concluded in due course. The proposed agreement would provide for a release upto £ 35 million from India's sterling balances in each of the six years beginning with 1 July 1951. Provision would also be made for a measure of flexibility by stipulating that any part of the amount not drawn in a particular year would be carried forward and added to the releases for later periods. The two Governments would consult together if in any year the Government of India found it necessary to exceed the release of £ 35 million and draw upon the releases for subsequent periods by more than £ 5 million.

87. *Pakistan and Afghanistan.*—Exchange Control was extended to Pakistan and Afghanistan with effect from 27 February 1951, from which date the Pakistan rupee was treated as a foreign currency for all purposes and financial transactions with Pakistan and Afghanistan became subject to the restrictions imposed under the Foreign Exchange Regulation Act, 1947. The applications for remittances to Afghanistan were treated on the same basis as those for remittances to any other non-sterling area country. Applications for remittances to Pakistan were treated on a basis similar to any sterling area country but with some differences. Thus remittances on account of capital transfers, dividend, interest, pension, profits, etc., were not allowed. The grant of exchange facilities for settlement of such transactions was held in abeyance until the establishment of corresponding facilities by the Pakistan Exchange Control for remittances to India.

Consequent on the extension of Exchange Control, exports from India to Pakistan and Afghanistan were also made subject to the same formalities as in the case of exports to other countries to ensure realisation of the full foreign currency proceeds of shipments in an approved manner.

88. *Methods of Export Finance.*—Graph 32 (A & B) shows the relative importance of the currencies employed in financing Indian exports to countries outside the

sterling area. The former covers shipments to hard currency countries and the latter shipments to other non-sterling area countries.

Graph A shows that there was a decline in the proportion of exports financed by sterling bills on London and that there was a gradual rise in the proportion of trade financed by bills drawn in the currency of the country of destination of the goods. There was also a tendency for a larger proportion of the trade to be financed in rupees. Graph B indicates that the proportion of exports to other non-sterling area countries financed by sterling bills drawn on London fluctuated throughout the year but the variations were small. Exports financed in rupees on the whole accounted for a lesser proportion of total exports than in the previous year.

Graph C on the same page shows total exports to the countries covered by Graphs A and B. The peaks in November 1950 and February 1951 are noteworthy.

VIII. BULLION

89. *Production of Gold and Silver.*—After a temporary setback in 1949, production of gold in the Indian Union resumed its uptrend, assisted, among other things, by an improvement in labour-management relations. Production for 1950 (*vide* Statement 8), is placed at 196,848* ounces valued‡ at Rs. 5,89,29,848*, as compared with an output of 164,050† ounces valued‡ at Rs. 4,99,00,264† in the previous year and 317,000 ounces in 1939. The Kolar Gold Fields accounted for 189,523 ounces or 96·3 per cent of the total output and the mines at Hutti in the State of Hyderabad produced the balance of 7,325 ounces. The percentage share of India's output to the estimated total world output of gold in 1950 stood at 0·75 per cent as against 0·64 per cent last year.

India's output of silver showed an improvement in 1950, rising to 15,675* ounces valued‡ at Rs. 75,031* as compared with an output of 11,275† ounces valued‡ at Rs. 52,718† in 1949 and 22,746 ounces valued at Rs. 33,361 in 1939. India's share of the estimated world silver output was 0·01 per cent in 1950, the corresponding percentage for 1949 being 0·008 per cent.

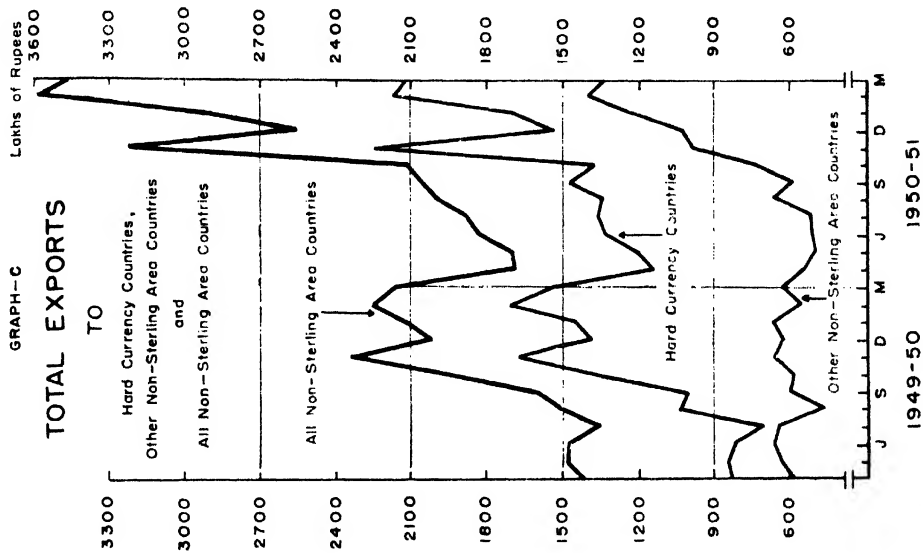
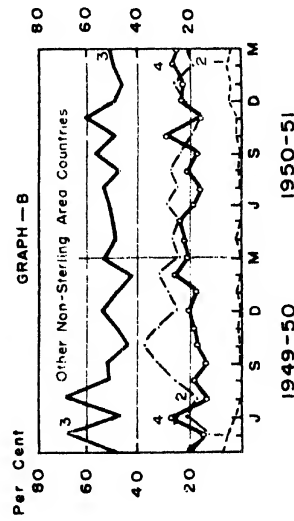
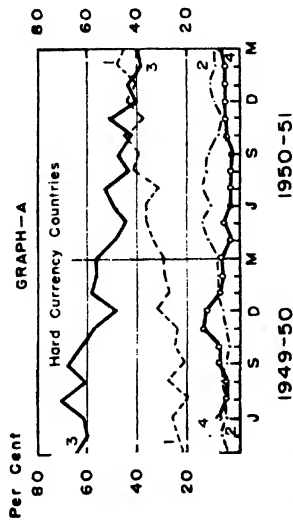
90. *Bombay Bullion Market.*—In 1949-50, which was the first year of the working of the Bombay Bullion Association under the Bombay Forward Contracts Control Act, 1947, emergencies had arisen on some occasions necessitating the intervention of the Government of Bombay, but such intervention was limited to the enactment of new bye-laws, referred to in last year's Report. In 1950-51, sharp differences of opinion between two sections of the elected Governing Body of the Association obliged the Government of Bombay temporarily to supersede the Board as provided under Section 4(1) (i) of the Bombay Forward Contracts Control Act, 1947 and to appoint, in its place, a new Board consisting of seven Government nominees. The nominated Board functioned for six months from 26 June to 25 December 1950 when, with the previous consent of the Government, a newly-elected Board assumed office.

During the year under review, in terms of the Association's bye-law 33A, margins were imposed in respect of the *Vaishakh* settlement (3 April to 2 May) at the maximum rates of Rs. 500 per bar of silver and Rs. 7 per tola of gold on all outstanding purchases as at the close of business on 5 April and again on 27 April 1950. The imposition of margins on the 5th led to the institution of legal proceedings by one of

* Provisional. † Revised. ‡ The values of both gold and silver are calculated on the basis of the prices at which they are sold in the open market.

METHODS OF EXPORT FINANCE ON PERCENTAGE BASIS

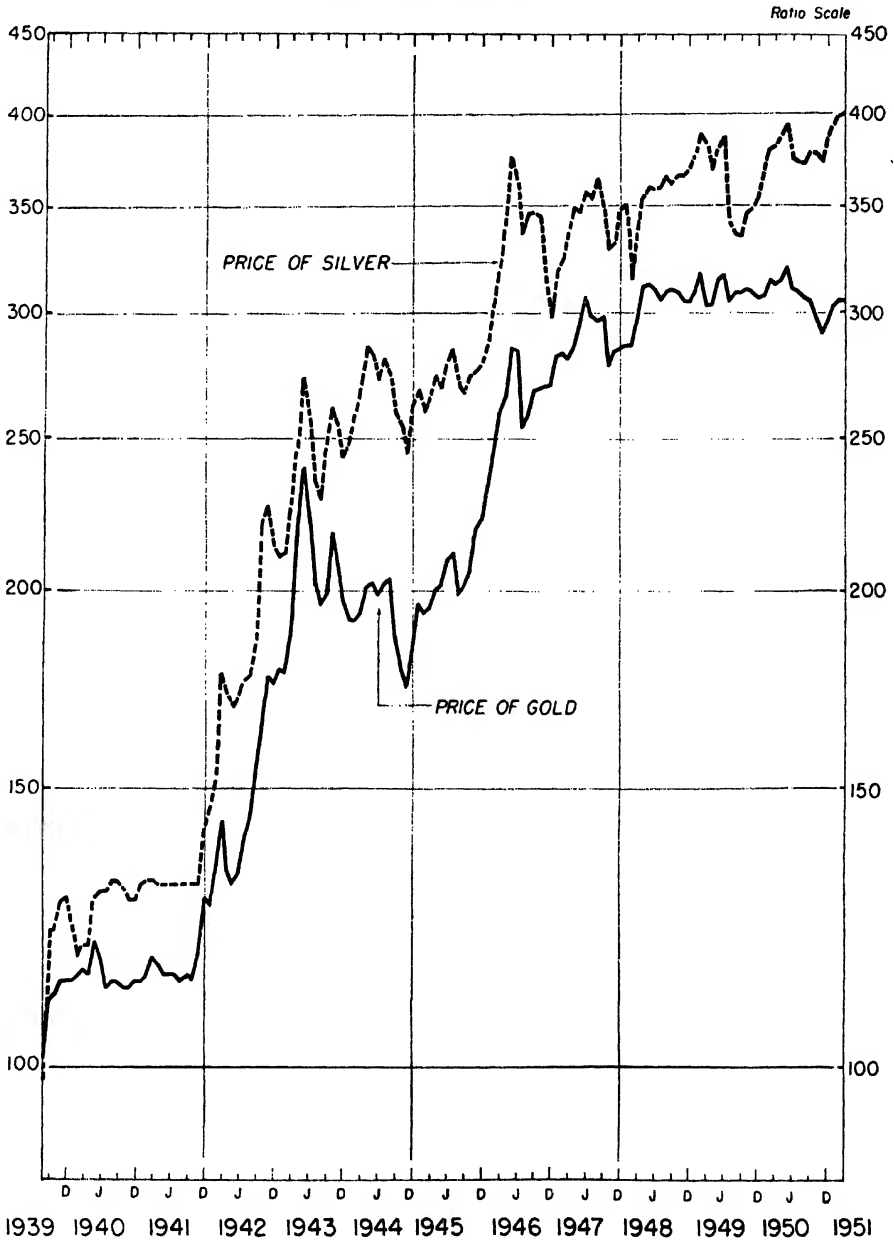
Method 1----1 Bills drawn or remittances received in
currency of country of destination
Method 2----2 Bills drawn or remittances received in
rupees
Method 3----3 Bills drawn in sterling on London
Method 4----4 Bills drawn in sterling on the country
of destination



GRAPH 33

INDICES OF BULLION (SPOT) PRICES

Base:— June-August 1939=100



the members, challenging the validity of the Board's action. The Court, while dismissing the suit, expressed the view that margins might be imposed in terms of bye-law 33A only on "some persons" responsible for creating abnormal conditions in the market. Later, in a second suit filed by the same member, the Court granted on 12 April an interim injunction restraining the Board from enforcing margins. On the 21st, however, the Court dissolved the earlier injunction of 12 April in so far as it was operative in respect of the members of the Association other than the plaintiff.

When the Central Government's Forward Contracts (Regulation) Bill, 1950 referred to in last year's Report is enacted, the control of futures trading in all commodities, including bullion, will become the responsibility of the Central Government. The Bill, as amended on the basis of recommendations made by the Expert Committee appointed in July 1950, has since been referred to a Select Committee of Parliament.

There were no official sales of bullion during the year, except for a small quantity of 68,525 ounces of silver valued at Rs. 3,32,804 disposed of on 17 October, on behalf of the Porbandar Sub-Treasury and the State Bank of Saurashtra.

91. *Price Trends.*—Since the commencement of World War II, bullion markets in India have been functioning, more or less, in isolation from world bullion markets, owing to restrictions imposed on imports and exports of bullion (*vide* para. 95). As a result, prices of gold and silver in India have been ruling substantially higher than in world markets. Although price movements during the year under review continued to be governed mainly by internal factors, sentiment was, on occasions, as after the outbreak of the Korean War, affected by trends in world markets. Mainly as a result of the demand for hoarding, the price of gold in the free markets generally tended upwards (*vide* para. 8) and prices of silver in London and New York spurted owing to an estimated excess of world consumption of silver in 1950 over current world supplies with the emergence of a new demand for silver as a substitute for certain metals in short supply.

Following the usual pattern of seasonal variations in prices, during 1950-51, the seasonal recession in prices between June and early November was followed by a steady uptrend, which became more pronounced towards the close of the year, particularly in silver. The uptrend was assisted by fresh inflationary pressures. Ready silver closed for the year higher than at the beginning of the year; gold registered a slight decline.

The Table below indicates trends in the prices of gold and silver in the Bombay market.

Year	GOLD (per tola)				SILVER (per 100 tolas)			
	Spot		Settlement		Spot		Settlement	
	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.
1938-39	35	10 3	36	4 3	51	11 3	50	14 8
1942-43	57	10 10	56	14 5	94	2 6	90	4 6
1946-47	101	1 2	96	14 0	162	4 10	153	10 4
1948-49	114	9 10	113	14 1	177	9 0	173	18 2
1949-50	114	14 11	113	8 4	174	11 10	175	14 2
1950-51	113	7 4	113	3 5	185	14 3	184	11 10

Note.—Figures are averages of closing quotations for working days.

During the larger part of the year under review, the quotations for silver ruled higher than in 1949-50. The average spot rate for 1950-51 was at Rs.185-14-3 as against Rs.174-11-10 in the previous year. In contrast, the quotations for gold were generally at comparatively lower levels than in 1949-50. The average spot rate for the year was at Rs. 113-7-4, as against Rs. 114-14-11 in 1949-50.

The trends in both metals, however, were more or less similar during 1950-51, with silver generally taking the lead. Price movements during the year fall into three phases: first, a rise during April and May; second, a general recession thereafter upto early November; and finally, a resumption of the uptrend which lifted silver by the end of the year to a new peak of Rs.198-12, though gold remained at a lower level than at the close of last year. The first phase was a continuation of the 1949-50 busy season uptrend. The firmness in prices towards the close of the season was associated, among other things, with the Finance Minister's address on 26 April to the Bombay Bullion Association on Government's policy regarding imports of gold and resumption of official sales of silver. The Finance Minister indicated that it would not be in the larger interests of the country to lift the ban on imports of gold, while the manner of disposal of the available silver stocks with Government would be determined at an appropriate time. The second phase of recession, which started in June and continued until early November, seemed to have been influenced, in addition to the seasonal fall in demand, by certain special factors such as the crisis in the Board of Directors of the Association, (reported) heavy arrivals of smuggled and refugee gold, and rumours of revaluation of sterling and of official sales of bullion. This phase roughly covered the term of office of the Government-nominated Board. In the last phase, which saw a resumption of the uptrend, the chief factors which influenced prices were (1) prolonged intensity of the seasonal demand, (2) a sharp rise in silver in the world markets, (3) a fall in supplies of gold as a result of the increased vigilance of the authorities to check smuggling, and (4) a deterioration in the international situation, particularly after November 1950.

92. *Price of Gold.*—Statement 87 gives statistics of the highest, lowest and average prices of gold (spot and forward), and of sovereigns (spot) and of the estimated average stocks of gold in the Bombay market for each month of the year under review. Statement 88 shows the weekly movements of the spot and forward prices and stocks of gold and silver in the Bombay bullion market during the year. The trends in the spot prices of gold and silver during the years 1926-27 to 1950-51 are shown in Statement 89. Graph 33 shows the movements in the spot prices of gold and silver since the beginning of World War II.

During the early part of the year, there was a sustained demand for gold and the uptrend in prices became more pronounced following the Finance Minister's address on 26 April to the Bombay Bullion Association (referred to earlier). The ready rate, which had closed at Rs. 115-9 on 30 March, advanced almost continuously, touching the highest level of the year at Rs.120-2 on 6 May. With temporary reactions, this level was more or less maintained upto early June, when the market suffered a setback as a result of bull liquidation, sentiment having been affected partly by the developments which culminated in the supersession of the elected Governing Board and partly by the reported heavy influx of refugee gold. The ready rate dropped to Rs.112-4 by 20 June. Following the outbreak of the Korean War on 25 June, the market showed a temporary spurt in sympathy with the trends in the free gold markets abroad; early in July, however, with a growing volume of

floating stocks, the market turned quiet, prices fluctuating within narrow limits. The ready rate, which had risen to Rs. 116-3 by 5 July, moved between Rs. 116-0 and Rs. 112-8 upto the middle of September, with a general downward tendency which was accelerated later by the reported heavy arrivals of smuggled gold, renewed rumours regarding revaluation and apprehensions of a resumption of official sales of gold. The quotation slumped from Rs. 113-12 on 14 September to the lowest level of the year at Rs. 104-12 on 2 November. Thereafter, with a slowing down in arrivals, a recovery set in, which was further assisted in December by the adoption by the authorities of stricter measures to check smuggling. The ready rate recovered to Rs. 110-0 by the close of November and to Rs. 115-0 by 10 January; after temporary reactions, it moved up again to close for the year at Rs. 114-13, as against the preceding year's closing level of Rs. 115-9.

The range of fluctuations during the year in the ready rate in Bombay was Rs. 15-6 as against a range of Rs. 12-8 in the preceding year. The highest and the lowest rates were Rs. 120-2 (on 6 May 1950) and Rs. 104-12 (on 2 November 1950), the corresponding rates in the preceding year being Rs. 119-10 (on 2 and 3 June 1949) and Rs. 107-2 (on 6 July 1949). During the year, the premium of the ready over forward varied between Rs. 1-15 and *minus* 11 annas.

93. *Price of Silver.*—Statement 90 gives statistics of the highest, lowest and average prices of silver in Bombay, London and New York, and of the average stocks of the metal in Bombay for each month of the year 1950-51.

During the first two months of the year under review, sentiment in the silver section was bullishly influenced by a number of factors including (1) higher up-country advices and improved offtake, and (2) the Finance Minister's statement on 26 April clarifying Government's attitude (*vide* para. 91) regarding official sales of silver. The ready rate rose from Rs. 187-3 on 30 March to Rs. 192-10 by 20 May and fluctuated around that level upto the end of that month when the quotation dropped to Rs. 185-0. After a partial recovery early in June, prices resumed their downtrend, the decline being accelerated by the crisis in the Board of Directors of the Association, and rumours of a failure of an attempted squeeze in Calcutta. Heavy liquidation brought the ready rate down to Rs. 173-14, the lowest level of the year, by 20 June. The immediate reaction of the market to the outbreak of the Korean War, as in case of gold, was bullish, the quotation spurting to Rs. 183-6 by 10 July. Thereafter the market turned quiet again, with occasional recessions which were attributed to renewed rumours of a resumption of official sales of silver. After a temporary steadiness between mid-September and mid-October, when the rate was quoted at around Rs. 183-0, the market fell sharply, the ready rate touching a low of Rs. 176-8 on 4 November, partly in sympathy with the slump in gold. Thereafter, a distinct uptrend set in, which was accelerated by a number of factors including (1) the grave turn which events in Korea took following the Chinese intervention, (2) a rise in early January in the London and New York silver markets, (3) a reported preference in world markets to replace gold hoards by silver, and (4) the imposition by the Government of India of a ban on imports into India of silver coins current in Nepal. The ready rate rose from Rs. 176-8 on 4 November 1950 to Rs. 197-8 by 20 February 1951, and, after a temporary reaction to Rs. 192-12 on the next day, advanced again to touch the highest level of the year at Rs. 198-12 during the session on 31 March, and closed for the year at Rs. 198-9, as compared with the preceding year's closing level of Rs. 187-3.

The range of fluctuations in the rates for ready silver during 1950-51 was Rs. 24-14 as against a range of Rs. 33-14 in the preceding year. The highest and the lowest rates were Rs. 198-12 (on 31 March 1951) and Rs. 173-14 (on 20 June 1950), the corresponding rates in the preceding year being Rs. 192-12 (on 13 June 1949) and Rs. 158-14 (on 16 September 1949). The premium of the ready over the forward rates varied between Rs. 6-8 and *minus* 6 annas.

94. *Assaying and Refining of Bullion.*—Gold received during 1950-51 for melting and assaying at the Bombay Mint from the public and the banks amounted to 13,913 tolas as compared with 24,543 tolas in 1949-50. The corresponding amounts received at the Calcutta Mint were 2,45,204 tolas and 1,02,467 tolas. Raw gold for refining received by the Bombay Mint during 1950-51 amounted to 18,63,649 tolas as against 19,91,400* tolas in the previous year.

Silver received for melting and assaying during the year under review by the Calcutta Mint amounted to 96,29,401 tolas as against 20,55,265 tolas in 1949-50. The corresponding amounts received by the Bombay Mint were 1,27,020 tolas and 30,274 tolas, respectively. The quantity of silver received for refining during 1950-51 at the Bombay Mint was 16,50,439 tolas as against 8,74,32,866 tolas in the preceding year.

95. *Imports and Exports of Bullion.*—Statements 91 and 92 give the average quantity and value of imports and exports of gold coin and metal and of silver (on private and Government accounts) for each quinquennium from 1900-01 to 1934-35 and for each financial year from 1935-36. Statement 93 gives monthly figures of imports and exports of gold and silver (on private and Government accounts) for the year 1950-51.

Following the outbreak of World War II, restrictions were placed on the imports into, and exports from, India of gold and silver. By notifications issued under Section 19 of the Sea Customs Act, 1878, imports of gold and silver into India were prohibited with effect from 3 September 1939 except on the authority of a licence granted by the Reserve Bank. Simultaneously, in terms of powers vested under the Defence of India Rules, exports of gold were prohibited, except with the permission of the Reserve Bank. As regards silver, all exports to Empire countries and the U.S.A. continued to be free till 11 June 1943; exports to neutral countries were permitted with the approval of the Secretary of State and subject to War Trade List considerations. From 12 June 1943, exports to all destinations except Ceylon were banned, while exports to Ceylon were permitted under certain restrictions. The special facility given to Ceylon was, however, withdrawn on 14 May 1951.

The emergency powers, thus assumed by Government, were placed on a statutory basis by incorporating the necessary provisions, in this regard, in either the Foreign Exchange Regulation Act, 1947 or the Imports and Exports (Control) Act, 1947, both of which became effective from 25 March 1947, the date on which the Financial Provisions of the Defence of India Rules, which had been extended by the Emergency Provisions (Continuance) Ordinance, 1946, expired.

In exercise of the powers conferred by sub-sections 1 and 2 of Section 8 of the Foreign Exchange Regulation Act, 1947, imports of gold and silver into, and

* Revised.

exports of gold from, India are prohibited except with the general or special permission of the Reserve Bank. Exports of silver are controlled by the Chief Controller of Exports and exports may be made only under a licence issued by him. General permission was given by the Bank in respect of exports of gold to Jammu and Kashmir, or in respect of gold or silver imported into India on through transit to a place outside India and the French and Portuguese territories which are adjacent to or surrounded by India, the consignment being not removed from the carrying ship or aircraft except for the purpose of transshipment. Special permission has not been granted in practice, by the Reserve Bank for any commercial imports of gold or silver or exports of gold. An appreciable inflow of smuggled gold has continued to take place during the year, the practical consequences of the gold policy of the IMF in regard to relaxation of export of gold at premium prices from a principal producing country like the Union of South Africa having apparently contributed to this embarrassing trend. Contraband gold seized by the authorities at the port towns and the land customs frontiers during the nine months ended December 1950 amounted to 81,810 tolas.

IX. MISCELLANEOUS MATTERS RELATING TO NOTES AND COINS

96. *Burma Notes.*—In the Report for 1948-49, mention was made of the termination by the Government of Burma, effective from 1 July 1948, of the legal tender character in Burma of 'India' notes and Government of India one rupee notes not marked 'Legal Tender in Burma only', with a view to replacing these notes with notes bearing Burma's distinctive designs. As a further step in this direction, the Government of Burma announced on 2 May 1950 the demonetisation, with effect from 1 June 1950, of the over-printed old prewar Burma notes issued by the Rangoon Office of the Reserve Bank of India, and of British Military Administration notes issued since 1945 by the British Military Administration and later by the Government of Burma. These notes, however, continued to be accepted at par in exchange for legal tender currency at Burma Government Treasuries and the Rangoon Office of the Burma Currency Board until 31 March 1951.

97. *Encashment of Burma Notes.*—With a view to meeting the demand for encashment of Burma notes from the evacuees from Burma, the Reserve Bank of India had provided, from January 1942, facilities for the encashment of Burma notes into Indian currency at its offices, and at certain branches of the Imperial Bank of India. By arrangements entered into by the Government of India with the British Military Administration and the Government of Burma, these facilities* were continued with slight modifications, from time to time, as regards the offices where the facilities were to be made available, the rate at which exchanges were to be made and the limit upto which exchanges were permitted. These facilities were discontinued with effect from 1 May 1950, when the Government of Burma terminated the arrangements; they have instead permitted a number of banks in Burma to import and sell Indian currency under the supervision of the Exchange Control Department of the Union Bank of Burma to genuine travellers to India upto a limit not exceeding Rs. 100 per person.

* For details see Reports for 1948-49 (page 161) and 1949-50 (page 132).

The total amount of Burma notes encashed in India during the year 1950-51 amounted to Rs. 41,16,411 and to Rs. 29,55,34,934 since January 1942, when encashment facilities were first provided.

98. *Encashment of Pakistan Notes.*—In last year's Report, mention was made of the facilities afforded from March 1950, at the Reserve Bank's Calcutta Office and at certain other places, for the exchange, on Government account, of Pakistan currency held by evacuees arriving in India from East Bengal into Indian currency. These arrangements were discontinued with effect from 1 September 1950. Sales of Pakistan notes to *bona fide* refugees returning to East Bengal were, however, made on a limited scale upto 27 February 1951.

With the signing of the Indo-Pakistan Trade Agreement on 25 February and India's acceptance of the new parity between the Indian and Pakistan rupees as well as the imposition of exchange control between India and Pakistan, the Reserve Bank's offices resumed, with effect from 27 February, the purchase and sale of Pakistan currency from and to authorised dealers in India at the buying and selling rates of Rs. 100 Indian to Rs. 69-8-3 Pakistan and Rs. 100 Indian to Rs. 69-6-6 Pakistan, respectively, for ready transactions.

99. *Old Notes.*—Section 34 of the Reserve Bank of India Act provides that any currency note or Bank note, which has not been presented for payment within 40 years from its date of issue, shall be deemed to be no longer in circulation. The value of the currency notes written off under this Section during 1950-51 amounted to Rs. 1,16,900. Notes, which had been previously written off under this Section, but which were subsequently presented for payment and paid by the Banking Department of the Bank amounted to Rs. 2,580 during the year.

100. *Lost, Destroyed and Mutilated Notes.*—The Table below gives details of lost or wholly destroyed, half and mutilated notes in respect of which claims were admitted during the year.

	No. of claims admitted	No. of pieces	Amount of claims admitted Rs.	Amount paid against claims Rs.
Lost or wholly destroyed notes ..	614	1,252	1,26,100	3,45,850*
Half notes	1,137	1,028	1,89,320	30,200
Mutilated Notes :				
Registered (Denominations of Rs. 20 to Rs. 100)	5,801**	10,914	10,90,090	9,83,220
Unregistered (Denominations of Rs. 1 to Rs. 10)	52,228**	4,93,514	28,16,766½	26,37,522½
Government of India one rupee notes	28,226**	4,09,653	4,09,653	3,92,271

* Represents amount paid during 1950-51 in respect of claims admitted in previous years.

** Excludes figures for soiled notes in respect of the Bombay circle.

101. *Note Forgeries.*—The total number of forged notes (including Government of India one rupee notes) received by the Bank during the year amounted

to 7,125 as compared with 11,045 in 1949-50. Of the total number, 4,243 were detected in Calcutta, 1,438 in Kanpur, 778 in Bombay, 360 in Madras and 306 in Delhi. The distribution of note forgeries according to denominations for the last three years is given below :—

Year	Re. 1 Old Notes	Re. 1 Govt. of India Notes	Rs. 2	Rs. 5	Rs. 10	Rs. 50	Rs. 100	Total	
								Number	Value Rs.
1948-49	1	2,468	175	1,884	6,499	—	15	11,042	78,729
1949-50	—	4,464	117	1,703	4,726	—	35	11,045	63,973
1950-51	—	2,400	84	1,676	2,783	—	182	7,125	56,978

The number of forged notes received during the year showed a decrease in all denominations, particularly Government of India one rupee notes, an exception being Rs. 100 notes which registered a sharp rise. The largest number of forgeries continued to be in respect of the Rs. 10 denomination—a feature noticed since 1946-47. Forged notes of this denomination during the year amounted to 2,783 (or 39 per cent of the total), those received at the Calcutta Office being 1,428 and at the Kanpur Office being 597. Forgeries in the Government of India one rupee notes aggregated 2,400 or 34 per cent of the total, as against 40 per cent last year, the largest number, 1,689, being received by the Calcutta Office.

The following Table gives particulars regarding prosecutions on account of forgeries for the past three years :—

Year	Fresh Prosecutions	Pending at the end of the previous year	Total Trials	Discharges	Convictions	Pending
1948-49	34	48	82	24	24	34
1949-50	42	34	76	22	10	44
1950-51	48	44	92	38	28	26

102. *Coinage*.—On 26 January 1950, a new series of notes was issued with the Indian Republic's distinctive design of the 'Asoka Pillar' (*vide* paragraph 98 of the Report for 1949-50). On 15 August 1950, a new series of coins was issued comprising the denominations of 'One Rupee', 'Half Rupee', 'Quarter Rupee', 'Two Annas', 'One Anna', 'Half Anna' and 'Single Pice', with the Republic's distinctive design of the Asoka emblem. The existing coins, which are being gradually withdrawn from circulation, continue to be legal tender. The weight, shape and composition of the new coins, excepting the 'Single Pice', are identical with the existing coins, while an entirely new 'Single Pice' coin minted in bronze and of the standard weight of 60 grains (since reduced* to 45 grains) was introduced to replace the 'washer' type coin which has been in circulation since 1943. The details regarding the design on the new coins were published in a notification issued on 7 August 1950 by the Government of India (*vide* Appendix I). The description of coins in active circulation as at the end of March 1951 is given in Statement 95.

* In terms of notification No. F1 (2) - F1/51 dated 21 February 1951.

Statement 94 gives coinage of India rupee coin since 1835. India rupee coin minted during 1950 amounted to Rs. 3·19 crores as against Rs. 3·62 crores in 1949 and Rs. 5·74 crores in 1948. The following Table shows the coinage of India rupee coin and of the various denominations of India small coin during 1950-51 at the Bombay and Calcutta Mints.

Denomination	Bombay Mint		Calcutta Mint		Total	
	Rs.	a.	Rs.	a.	Rs.	a.
Nickel Rupees	2,79,52,000	0	—		2,79,52,000	0
„ Half Rupees	49,08,000	0	45,268	8	49,53,268	8
„ Quarter Rupees	32,26,000	0	—		32,26,000	0
Cupro-nickel Two Annas	9,18,000	0	—		9,18,000	0
„ „ One Anna	5,05,500	0	—		5,05,500	0
„ „ Half Anna	5,02,250	0	97,500	0	5,99,750	0
Bronze Single Pice	7,07,300	0	3,13,350	0	10,20,650	0
Total	3,87,19,050	0	4,56,118	8	3,91,75,168	8

The issue of quaternary (silver) rupee coin was discontinued from the end of May 1946. The India nickel rupees minted during 1950-51 amounted to Rs. 2·80 crores as against Rs. 3·57 crores during 1949-50 ; the total since April 1947, when they were first minted, upto the end of March 1951 amounted to Rs. 23·30 crores. The total of all coins minted during the year amounted to Rs. 3·92 crores, of which small coin accounted for Rs. 1·12 crores or 29 per cent as against 40 per cent in 1949-50.

103. *Withdrawal of Silver Coin.*—All Victoria and King Edward VII standard silver rupees and half rupees were demonetised with effect from 1 April 1941 and 31 May 1942, respectively, and King George V and King George VI standard silver rupees and half rupees were demonetised with effect from 1 May 1943. The amounts of rupee coin withdrawn from circulation during the last three years are given below :—

	(Lakhs of Rupees)		
	1948-49	1949-50	1950-51
William IV 1835	—	—	—
Queen Victoria 1840	—	—	—
Queen Victoria 1862 and 1874-76	—	—	0·07
Standard Silver Rupees	0·30	—	—
Other Uncurrent Coin	0·22	0·21	0·05
Defective Quaternary Rupees	0·07	0·02	0·05
Total	0·58	0·24	0·18

Standard silver two anna and standard silver four anna pieces are no longer coined or issued, but they continue to be legal tender.

104. *Withdrawal of Cupro-nickel and Copper Coin.*—Eight anna cupro-nickel coins were withdrawn under Section 15 A of the Indian Coinage Act, 1906, with effect from 1 October 1924, and have thereafter been receivable at the Issue Offices only. Double pice coins are also being withdrawn from circulation and are received at the Treasuries and the Issue Offices. The total nominal value of uncurrent and badly worn and defaced coins withdrawn from circulation during the year was as follows :—

		Rs.	a.	p.
Uncurrent Coin	{ Cupro-nickel* eight anna	6,045	8	0
	{ Bronze double pice	82	15	0
	{ Nickel rupees	8,559	0	0
	{ Cupro-nickel* -1/-	7,86,328	0	0
Badly worn and defaced nickel, copper and bronze coin	{ Nickel-brass and cupro-nickel coin			
	-1/2/- pieces	77,08,661	6	0
	-1/- „	73,66,518	14	0
	-1/4/- „	12,47,355	13	6
	{ Copper and bronze coin : -			
	Single pice	1,67,593	7	3
	Half pice	503	14	1
	Pie pieces	31	13	10
Total		1,72,91,680	11	8

* Includes worn-out pure nickel coins.

105. *Counterfeit Coin.*—The following Table gives the number of counterfeit coins, by denominations, cut at Treasuries and railway stations during the three years 1948-49 to 1950-51.

				1948-49		1949-50		1950-51	
				Silver	Nickel	Silver	Nickel	Silver	Nickel
Rupees	..	..	..	9,742	1,291	12,825	5,896	9,200	4,429
Half Rupees	..	..	..	10,817	4,198	9,249	7,447	8,252	12,886
Quarter Rupees	..	..	..	11,321	7,762	13,524	13,231	13,642	23,073
Two Annas	..	..	..	1,393	1,03,969	3	1,35,784	4	1,70,327
One Anna	..	..	..	..	10,995	—	14,452	..	23,820
Half Anna	..	..	..	..	29	..	226	..	1,771
Total	..	..	..	33,273	1,28,244	35,601	1,77,036	31,098	2,36,306

STATEMENTS

STATEMENT I

INDEX NUMBERS OF WHOLESALE PRICES AND COST OF LIVING IN SELECTED COUNTRIES

(Base: 1937=100)

(Reference paragraph 2)

Year and Month	AUSTRALIA		CANADA		FRANCE		UNION OF SOUTH AFRICA		UNITED KINGDOM		UNITED STATES	
	P*	G	P	G	P‡	G†	P‡‡	G	P	G	P	G
1938	100	103	95	101	112	116	103	104	93	101	91	98
1939	100	105	92	100	118	125	101	104	96	104	89	97
1940	110	110	100	104	156	149	112	107	126	121	91	98
1941	117	115	108	110	192	172	123	112	140	133	101	103
1942	132	125	114	116	226	201	138	122	147	143	114	115
1943	138	129	118	117	263	259	150	129	150	147	119	120
1944	139	129	121	117	298	319	155	133	153	151	121	122
1945	140	129	123	118	421	436	168	137	155	152	122	123
1946	141	131	129	122	728	746	161	139	161	154	140	139
1947	150	136	132	134	1,100	1,210	169	145	176	163	176	156
1948	170	148	180	153	1,920	1,920	181	153	202	174	191	167
1949	189	162	183	159	2,150	2,150	191	159	212	179	180	165
1950	225	179	197	165	2,320	2,320	204	165	241	184	187	167
January 1949	183	158	188	158	2,190	2,340	186	157	204	176	186	166
February	185	157	187	158	2,130	2,150	187	157	203	176	183	165
March	186	157	186	157	2,100	2,060	188	158	203	176	184	165
April	185	161†	186	157	2,070	2,030	188	158	208	176	182	165
May	185	161†	185	158	2,120	2,000	190	160	213	179	181	165
June	185	161†	185	159	2,040	1,990	191	160	213	179	179	165
July	185	161†	185	160	2,080	1,970	192	159	211	179	178	164
August	190	164†	184	161	2,160	2,020	193	159	211	179	177	164
September	190	164†	182	160	2,200	2,120	194	159	212	180	178	165
October	193	168†	184	160	2,250	2,220	193	159	218	181	176	164
November	198	168†	185	160	2,250	2,250	194	159	221	181	176	164
December	203	168†	184	160	2,250	2,250	194	160	222	182	175	163
January 1950	206	171†	185	159	2,240	2,260	195	160	225	182	176	164
February	210	171†	186	160	2,220	2,310	196	161	225	182	177	163
March	210	171†	188	162	2,240	2,370	196	162	226	182	177	164
April	221	176†	189	162	2,240	2,300	197	163	230	184	177	164
May	220	176†	191	162	2,240	2,270	202	165	235	184	181	165
June	222	180†	195	163	2,220	2,310	206	167	236	184	182	166
July	222	180†	198	166	2,280	2,280	206	166	239	184	183	167
August	231	180†	201	167	2,300	2,290	207	164	243	182	183	169
September	233	188†	208	168	2,410	2,380	209	165	250	184	193	170
October	236	188†	205	169	2,430	2,440	209	168	257	186	196	171
November	243	188†	208	169	2,500	2,450	212	168	266	187	199	172
December	242	188†	210	169	2,580	2,480	215	172	269	187	203	174

P=Wholesale Prices, G=Cost of Living, * Home-consumed goods in Melbourne, ‡ Home-consumed goods in Paris, † Retail prices (Food in Paris), ‡ Quarterly Indices, ‡‡ Home-consumed goods, ‡‡‡ Home-consumed goods issued by the International Monetary Fund.

STATEMENT 2

MONEY SUPPLY IN SELECTED COUNTRIES

(Reference paragraph 3)

End of	AUSTRALIA*			CANADA			FRANCE			ITALY		
	(Millions of Australian Pounds)			(Millions of Canadian Dollars)			(Billions of French Francs)			(Billions of Lire)		
	Currency	Deposit Money	Total	Currency	Deposit Money	Total	Currency (Gross)	Deposit Money†	Total	Currency	Deposit Money‡	Total
1938 ..	49	141	190	238	850	1,088	112	80	192			40
1945 ..	204	443	648	1,055	2,459	3,514	577	436	1,013	368	325	693
1948 ..	219	660	879	1,184	3,150	4,334	983	1,194	2,187	934	1,089	2,023
1949 ..	240	812	1,052	1,183	3,238	4,421	1,301	1,433	2,734	1,017	1,358	2,375
1950 ..	269	1,034	1,302	1,214	3,638	4,852	1,590	1,485	3,075	1,42	1,449	2,590
January 1950	221	819	1,041	1,132	3,256	4,387	1,289	1,389	2,678	961	1,341	2,302
February "	224	853	1,077	1,144	3,270	4,414	1,313	1,385	2,698	946	1,335	2,282
March "	228	896	1,124	1,181	3,265	4,446	1,337	1,355	2,692	947	1,337	2,274
April "	231	900	1,131	1,179	3,304	4,483	1,354	1,462	2,816	953	1,294	2,247
May "	230	882	1,111	1,138	3,341	4,479	1,360	1,412	2,772	946	1,273	2,219
June "	233	879	1,112	1,106	3,329	4,525	1,400	1,429	2,829	955	1,304	2,259
July "	235	867	1,102	1,169	3,380	4,550	1,443	1,441	2,882	1,000	1,325	2,325
August "	237	855	1,092	1,158	3,519	4,678	1,455	1,451	2,906	996	1,335	2,331
September "	238	884	1,123	1,216	3,703	4,919	1,496	1,456	2,952	1,025	1,368	2,393
October "	239	940	1,179	1,197	3,738	4,926	1,503	1,468	2,971	1,022	1,416	2,436
November "	243	986	1,229	1,197	3,682	4,879	1,503	1,464	2,967	1,025	1,412	2,437
December "	269	1,034	1,302	1,214	3,638	4,852	1,590	1,485	3,075	1,141	1,449	2,590

* Data for 1938 are averages of weekly figures for the last quarter. † Includes figures relating to the Bank of France, other banks, postal cheque system and Treasury agents in the Provinces. ‡ Includes figures relating to the Bank of Italy, other banks and postal savings banks.

End of	JAPAN (Billions of Yen)			UNION OF SOUTH AFRICA (Millions of South African Pounds)			UNITED KINGDOM [§] (Billions of Pounds Sterling)			UNITED STATES (Billions of U.S. Dollars)		
	Currency	Deposit Money	Total	Currency	Deposit Money	Total	Currency	Deposit Money	Total	Currency	Deposit Money	Total
1938 ..	2.9	5.3	8.2	19.7	77.7	97.5	0.46	1.19	1.64	5.8	26.0	31.8
1945 ..	54.8	37.9	92.7	66.9	267.4	334.4	1.34	3.07	4.42	26.5	75.8	102.3
1948 ..	338.1	330.7	668.9	66.2	343.3	409.5	1.25	3.87	5.12	26.1	85.5	111.6
1949 ..	336.0	423.5	769.5	64.8	301.1	365.9	1.27	3.92	5.19	25.4	85.8	111.2
1950 ..	408.7	511.4	920.1	71.7	339.6	411.3	1.29	3.99	5.28	25.0	93.2	118.2
January 1950	302.7	416.2	718.9	63.3	295.6	358.9	1.23	3.86	5.09	24.5	86.4	110.9
February	295.5	411.3	706.9	64.2	300.5	364.7	1.23	3.65	4.88	24.7	84.5	109.2
March	292.3	463.7	756.0	67.6	299.9	367.5	1.24	3.62	4.86	24.6	83.2	107.9
April	305.3	437.4	742.8	66.7	301.3	368.0	1.26	3.70	4.95	24.6	84.3	108.9
May	293.7	435.2	728.8	66.6	310.9	377.5	1.26	3.67	4.93	24.7	85.0	109.7
June	295.3	440.9	736.3	70.1	317.8	387.9	1.26	3.70	4.96	25.2	85.0	110.2
July	301.7	443.5	745.1	67.9	315.4	383.3	1.28	3.76	5.04	24.4	86.5	110.9
August	309.3	443.8	753.1	68.4	307.6	376.0	1.28	3.75	5.03	24.5	87.4	111.9
September	314.4	485.9	800.3	71.2	313.1	384.3	1.25	3.80	5.05	24.5	88.1	112.6
October	326.8	456.5	783.3	69.7	323.6	393.3	1.25	3.91	5.15	24.6	89.4	114.0
November	336.1	479.0	815.1	70.6	322.5	393.1	1.25	3.89	5.14	24.8	90.7	115.5
December	408.7	511.4	920.1	71.7	339.6	411.3	1.29	3.99	5.28	25.0	93.2	118.2

[§] Annual data represent December averages ; monthly data are averages of weekly figures.

Source : International Financial Statistics issued by the International Monetary Fund.

STATEMENT 3

MONEY MARKET RATES IN SELECTED COUNTRIES

(Per cent per annum)

(Reference paragraph 3)

COUNTRY		Average of months						1960												Period of Currency
		1945	1946	1947	1948	1949	1950	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Australia	.. B1	1.04	1.00	1.00	1.00	0.83	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	3 months
Belgium	.. B1	1.56	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	4 months
Canada	.. B1	0.36	0.38	0.41	0.41	0.48	0.55	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.55	0.62	0.62	0.62	0.63	3 months
France	.. {B1 C*	1.50 1.33	1.50 1.19	1.70 2.04	2.00 2.00	2.00 2.55	2.00 2.41	2.00 2.18	2.00 2.40	2.00 2.70	2.00 2.64	2.00 2.68	2.00 2.52	2.00 2.59	2.00 2.35	2.00 2.22	2.00 2.28	2.00 2.19	2.00 2.41	2½-3½ months
Indian Union	.. {B1 D*	0.39 0.25	0.43 0.50	0.44 0.50	0.49 0.63	0.50 0.50	0.50 0.50	0.50 0.56	0.66 0.91	0.84 0.84	0.53 0.53	0.50 0.50	0.50 0.50	0.50 0.50	0.50 0.50	0.50 0.50	0.50 0.50	0.50 0.50	0.50 0.50	3 months
Italy	.. B1	3.25	3.25	3.39	3.75	3.41	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3-4 months
Japan	.. C2*	..	1.00	1.20	1.60	1.85	1.85	1.80	1.80	1.65	1.60	1.70	1.90	1.65	1.70	1.75	1.85	1.80	1.85	3 months
Netherlands	.. B1	1.71	1.20	1.35	1.30	1.27	1.40	1.32	1.54	1.45	1.45	1.45	1.44	1.67	1.44	1.33	1.27	1.20	1.40	3 months
Switzerland	.. C*	..	0.78	0.53	0.96	1.03	1.09	1.22	1.50	1.13	1.25	1.03	0.81	1.10	0.95	0.91	0.88	0.88	1.09	3 months
Union of South Africa	.. B*	1.25	1.25	1.38	1.63	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	6 months
United Kingdom	.. {B1 A* C*	0.88 0.53 0.63	0.51 0.53 0.63	0.51 0.53 0.63	0.51 0.56 0.63	0.52 0.69 0.63	0.51 0.69 0.63	0.51 0.69 0.63	0.51 0.69 0.63	0.51 0.69 0.63	0.51 0.69 0.63	0.51 0.69 0.63	0.51 0.69 0.63	0.51 0.69 0.63	0.51 0.69 0.63	0.51 0.69 0.63	0.51 0.69 0.63	0.51 0.69 0.63	0.51 0.69 0.63	3 months
United States of America	.. {B1 A1 C1	0.38 2.2 0.75	0.38 2.1 0.81	0.60 2.1 0.81	1.04 2.5 1.44	1.10 2.7 1.48	1.22 2.7 1.45	1.10 2.60 1.31	1.13 2.60 1.31	1.14 2.60 1.31	1.16 2.68 1.31	1.17 2.68 1.31	1.18 2.68 1.31	1.17 2.68 1.31	1.21 2.63 1.44	1.32 2.63 1.66	1.33 2.63 1.73	1.36 2.84 1.69	1.37 2.84 1.72	3 months

A Bankers' acceptances.

A1 Average rates charged on short-term loans to business in 19 cities.

B Private discount rate.

B1 Treasury bill rate.

C Day-to-day money.

C1 Commercial paper rate in New York City.

C2 Average call money rate in Tokyo.

D Call money rate in Bombay quoted by larger scheduled banks.

* Annual figures are for December of each year.

Sources: Monthly Bulletin of Statistics of the United Nations; Federal Reserve Bulletin; Financial Statistics Monthly, Bank of Japan; Reserve Bank of India Bulletin.

STATEMENT 4

LIABILITIES AND ASSETS OF COMMERCIAL BANKS IN SELECTED COUNTRIES (Reference paragraph 3)

COUNTRY	End of	(Millions of National Currency)					Loans and	
		Deposits	Cash Balances	Percentage of 3 to 2	Investments	Percentage of 5 to 2	Advances including Bills	Percentage of 7 to 2
	1	2	3	4	5	6	7	8
Australia (£A) (Nine Trading Banks)*	..	608	42	6.93	183	30.20	209	34.49
	1945	915	58	6.34	122	13.33	404	44.15
	1950	1,134	62	5.47	121	10.67	491	43.30
Burma (Rs.) (Commercial Banks)	..	228	100	43.86	..	..	58	25.44
	1949	232	55	23.71	..	..	130	56.03
	1950							
Canada (\$ C) (Chartered Banks)	..	6,884	684	9.94	4,038	58.66	1,796	26.09
	1945	8,177	753	9.21	4,345	53.14	2,685	32.84
	1949	8,867	810	9.13	4,286	48.34	3,257	36.73
	1950							
Indian Union (Rs.) .. (Scheduled Banks)	..	9,651	1,369	14.19	5,000†	51.81	4,050	41.96
	1947	8,539	1,134	13.28	3,600†	42.16	4,106	48.09
	1949	8,822	946	10.72	3,800†	43.07	4,452	50.46
	1950							
Japan (Yen) (11 Big Banks and Local Banks)	..	747,411‡	109,386**	14.64	98,431	13.17	579,711	77.56
	1949	978,627‡	140,941**	14.40	123,690	12.64	825,107	84.31
	1950							
New Zealand (£ NZ) (Trading Banks)	..	141	67	47.52	30	21.28	53	37.59
	1945	201	89	44.28	14	6.97	80	39.80
	1949	226	70	30.97	13	5.75	109	48.23
	1950							
Pakistan (Rs.) (Scheduled Banks)	..	1,109	250	22.54	..	..	445	40.13
	1949	1,180	143	12.12	..	..	770	65.26
	1950							
Union of South Africa (£ SA) (Commercial Banks)	..	321	193	60.12	82	25.55	47	14.64
	1945	329	83	25.23	123	37.39	126	38.30
	1949	372	96	25.81	140	37.63	138	37.10
	1950							
United Kingdom (£) (London Clearing Banks)	..	4,850	726	14.97	3,126††	64.46	1,067§	22.00
	1945	6,202	770	12.42	3,414††	55.05	2,094§	33.76
	1949	6,368	808	12.69	3,392††	53.27	2,236§	35.11
	1950							
United States of America (\$) .. (All Commercial Banks)	..	150,227	34,806	23.17	97,936	65.19	26,983	17.36
	1945	145,174	35,650	24.56	77,232	53.20	42,965	29.60
	1949	153,870	38,840	25.24	74,720	48.56	52,830	34.33
	1950							

* Average of weekly figures in December. † Estimated. ‡ Including Local Government deposits but excluding blocked deposits. ** Cash and cheques. †† Including Treasury Deposit Receipts and Bills discounted. § Including money at call and short notice but excluding Bills discounted.

STATEMENT 5

INDEX NUMBERS OF MARKET VALUE OF INDUSTRIAL SHARES

(Base: 1937=100)

(Reference paragraph 4)

COUNTRY	Average of Months												1950											
	1942	1943	1944	1945	1946	1947	1948	1949	1950	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.			
Argentina ^{1,4,8}	..	168	188	220	284	402	602	725	636	532	562	547	545	544	531	513	459	503	551	535	556	544		
Australia ⁸	..	93	111	113	116*	133	156	169	163	194	177	179	185	188	189	189	185	191	199	203	222	222		
Belgium ⁶	..	209	214	226*	232*	226	153	129	133	144	146	146	143	145	144	137	136	146	147	148	142	141		
Canada ¹	..	53	69	69	82	96	87	94	91	112	100	98	98	105	108	110	104	115	120	123	122	124		
Denmark ⁸	..	124	136	145	129	131	132	132	122	145	135	138	141	143	146	149	148	150	153	151	141	140		
Finland ¹⁸	..	196	188	181	346	301	247	201	189	339	233	243	265	290	326	334	368	380	382	416	426	392		
France ³	..	694	605	625	761	984	1,230	1,285	1,175	1,142	1,187	1,122	1,148	1,132	1,136	1,179	1,081	1,146	1,200	1,159	1,149	1,062		
India ⁵	..	109	150	169	183	244	183	131	99	103	101	98	97	97	101	100	101	108	107	105	106	108		
Italy ^{1,9,10}	..	240	495	1,131	613	1,446	1,375	1,724	1,862	1,916	1,955	1,962	1,815	1,915	1,802	1,770	1,718	1,930	1,930	2,138	2,088	1,967		
Japan ^{2,5}	..	120	114	108	131*	112*	125	259	547	310	280	319	307	266	281	261	310	354	344	328	346	321		
Mexico ⁴	..	208	281	296	313	319	264	250	301	381	355	359	360	361	361	365	370	394	398	404	418	429		
New Zealand ¹⁰	..	94	108	116	120	128	135	133	127	140	134	136	137	136	136	138	138	140	143	143	145	149		
Norway ¹¹	..	150	150	150	140	134	129	142	137	149	139	140	140	143	143	147	148	152	158	158	160	161		
Sweden ¹⁰	..	110	110	119	134	142	148	131	130	154	139	144	145	147	150	153	149	155	158	160	168	174		
Switzerland ¹³	..	128	125	117	121	143	153	145	132	142	134	135	137	140	141	143	137	140	147	151	152	151		
Union of South Africa ⁸	..	109	135	146	153	188	211	216	166	155	156	155	154	153	153	152	150	150	158	161	161	159		
United Kingdom ¹⁸	81	98	107	116	129	131	131	118	106	106	100	103	101	101	103	108	104	106	111	111	112	110		
United States of America ¹⁴	..	60	80	86	104	121	108	111	108	132	121	122	124	127	122	133	125	124	138	145	143	145		

* Based on fewer than 12 months; ¹ Base: December 1938=100; ² From 1947, Base: August 1946=100; ³ Annual figures as at the end of the year; ⁴ Average of months for annual figures from 1947. Monthly figures are: ⁵ average of daily quotations, ⁶ first of following month's quotations, ⁷ average of Thursday quotations, ⁸ average of high and low of months, ⁹ based on last Fridays of months, ¹⁰ end of month figures, ¹¹ mid-month figures, ¹² average of Friday quotations, ¹³ last Thursday of month quotations, ¹⁴ average of Wednesday quotations.

Source: International Financial Statistics issued by the International Monetary Fund.

STATEMENT 6

ANNUAL REVENUE, EXPENDITURE, NATIONAL INCOME AND DEBT OF THE COMMONWEALTH COUNTRIES, U.S.A. AND U.S.S.R.

(Reference paragraph 5)

COUNTRY	Year	Total Revenue	Taxes on Income	Percent- age of 3 to 2	Total Expendi- ture	Defence Expendi- ture	Percent- age of 6 to 5	Surplus (+) or Deficit (-)	National Income	Percent- age of 2 to 9	Floating Debt or Short- term Debt	Public Debt (year-end figures)
	1	2	3	4	5	6	7	8	9	10	11	12
Australia (Millions of Austra- lian Pounds)	July-June 1938-39	95			94	34	15	+	814	72	59	1,215†
	1944-45	341	182	53	607	480†	76	-	1,274	27	440	2,550†
	1945-46	355	181	51	508	398†	74	-	1,303	27	440	2,715†
	1946-47	373	168	45	411	253†	57	-	1,376	27	400	2,767†
	1947-48	412	188	46	411	202†	44	+	1,761	24	350	2,780†
	1948-49	481	219	46	481	218†	45	-	1,955	25	305	2,826†
	1949-50	504	217	43	529	175†	33	-	2,265	22	310	2,909†
Canada (Millions of Cana- dian Dollars)	1950-51 (Budget)	663	340*	51	663	262†	40	-	..	..	..	..
	April-March 1938-39	502	142	28	553	34	6	-	3,986*	73	..	3,711
	1944-45	2,687	1,639	57	5,246	4,418	84	-	9,741*	23	..	15,712
	1945-46	3,013	1,432	48	5,136	4,003	78	-	9,788*	31	..	18,960
	1946-47	3,008	1,412	47	5,264	1,315	50	+	9,819*	31	..	17,698
	1947-48	2,872	1,287	45	5,196	634	29	+	10,916*	26	459	17,197
	1948-49	2,771	1,343	48	5,176	426	20	+	12,474*	22	451	16,950
Ceylon (Millions of Rupees)	1949-50	2,580	1,271	49	2,449	773	79	+	13,168	20	506	16,751
	1950-51 (Revised)	3,105	1,524	49	2,902	773	27	+	14,308	22	498	16,935
	1950-51 (Budget)†	3,325	1,695	51	3,700	1,664	45	-	..	..	..	..
	October-September 1938-39	117	21	18	127	5	4	-	..	..	..	204
	1944-45	304	78	26	254	16	6	+	1,842	16	9	401
	1945-46	383	114	30	313	6	2	+	..	..	10	448
	1946-47	461	96	21	405	6	7	+	..	..	..	469
	1947-48	541	62	11	622	3	7	+	1,969	27	24	517
	1948-49	576	75	13	548	4	7	+	2,272	25	16	565
	1949-50	570	118	21	540	5	7	+	2,566	22	79	640
	1950-51 (Budget)**†	656	132	20	654	12	2	+	..	..	..	..

Since 1944-45 revenue, expenditure and taxes on income exclude grants to States for reimbursements under the State Grants (Tax Reimbursement) Acts 1942 and 1946. † Includes postwar charges. ‡ Excludes War (1914-18) Debt of £A 79,724,220 due to the British Government. * Includes £A103 million in respect of wool deduction.

Column 6 represents total demobilisation and reconversion expenditure including national defence. † Excludes effect of budget proposals. * Excludes data for Newfoundland.

Column 3 comprises income-tax, estate duty, stamps, excess profits tax, etc. * Includes receipts and expenditure on account of Railway and Electrical Departments. † Excludes effect of budget proposals.

STATEMENT 6—(Contd.)

COUNTRY	Year	Total Revenue	Taxes on Income	Percent- age of 3 to 2	Total Expendi- ture	Defence Expendi- ture	Percent- age of 6 to 5	Surplus (+) or Deficit (-)	National Income	Percent- age of 2 to 9	Floating or Short- term Debt	Public Debt (year-end figures)
	1	2	3	4	5	6	7	8	9	10	11	12
India												
	April-March 1938-39	84	16	19	85	46	54	- 1	..	..	46	1,179
(Crores of Rupees)	1944-45	336	165	49	496	395	80	- 160	..	..	87	1,610
	1945-46	361	150	42	454	360	74	- 123	..	..	83	1,975
	1946-47	343	131	38	343	207	60	-	..	..	79	2,158
	1947-48 (Revised)*	179	85	47	185	87	47	- 6	..	..	87	2,170
	1948-49†	372	140	38	321	146	45	+ 51	8,710	4	373	2,405
	1949-50†	350	115	33	317	149	47	+ 33	..	..	361	2,503
	1950-51 (Revised)	387	119	31	379	179	47	+ 8	..	..	373	2,564
	1951-52 (Budget)	402	117	29	376	180	48	+ 26	..	..	..	..
Column 3 excludes States' share of income-tax. Column 12: for details see Statement 65. * From 15 August 1947 to 31 March 1948. † Accounts not finalised.												
New Zealand*												
	April-March 1938-39	37	9	24	36	..	..	+ 1	194	19	17	304
(Millions of New Zealand Pounds)	1944-45	54	26	48	53	..	..	+ 1	330	16	..	603
	1945-46	59	26	44	57	..	..	+ 2	350	17	55	625
	1946-47	108	32	30	104	7	7	+ 4	365	29	55	635
	1947-48	117	37	32	115	9	8	+ 2	411	28	55	699
	1948-49	122	49	40	119	9	8	+ 3	418	29	55	615
	1949-50	125	48	38	121	10	8	+ 4	473	26	70	644
	1950-51 (Budget)	133	57	43	131	14	11	+ 2	..	..	..	..
* Revenue and expenditure figures relate to Consolidated Fund.												
Pakistan												
	April-March											
	1947-48*	21	5	24	44	34	77	+ 23	..	..	..	..
(Crores of Rupees)	1948-49 (Revised)	59	7	12	53	40	69	+ 1	..	..	..	76†
	1949-50 (Revised)	75	9	12	75	51	68	-	..	..	..	86†
	1950-51 (Revised)	124	13	10	123†	61	50	+ 1	..	..	..	86†
	1951-52 (Budget)	115	13	11	115†	62	54	-	..	..	..	95†

* From 15 August 1947 to 31 March 1948. † Permanent debt, but excludes debt due to Government of India amounting to about Rs. 300 crores. ‡ Including special allocations.

Union of South Africa		47	17	36	65	2	3	—	18	365	13	..	279
1938-39													
1944-45		115	60	52	186	101	54	—	71	634	13	38	540
1945-46		134	68	51	131	83	63	+	7	674	20	52	563
1946-47		139	60	51	132	18	14	+	7	..	..	47	595
1947-48		128	59	46	122	13	11	+	6	699	18	..	609
1948-49		143	59	41	136	..	..	+	7	784	19	..	659
1949-50		146	70	48	147	..	..	—	1	832	18	..	735
1950-51 (Revised)		161	77	48	156	..	..	+	5	..	..	..	774
1951-52 (Budget)		183	80	44	182	17	9	+	1	..	..	..	..
April-March													
1938-39		927	420	45	940	272	29	—	13	4,716	20	920	8,163
1944-45		3,238	1,901	59	6,063	5,125	85	—	2,825	8,366	39	6,116	22,398
1945-46		3,284	1,897	58	5,484	4,410	81	—	2,200	8,340	39	6,487	23,636
1946-47		3,341	1,689	48	3,910	1,653	42	—	569	8,411	40	6,955	25,631
1947-48		3,845	1,570	41	3,209	854	27	+	636	9,226	42	6,542	25,621
1948-49		(3,401)			(3,063)			(+)	338				
1949-50		4,007	1,744	44	3,176	753	24	+	831	10,057	33	5,897	25,168
1950-51		(3,797)			(3,113)			(+)	684				
1951-52 (Budget)		3,924	1,850	47	3,375	741	22	+	549	10,466	37	6,715	25,802
1950-51		(3,815)			(3,297)			(+)	518				
1951-52 (Budget)		3,978	1,793	45	3,258	777	24	+	730	11,106	36	5,740	25,922
1951-52 (Budget)		(3,829)			(3,268)			(+)	561				
1951-52 (Budget)		4,236	2,065	49	4,197	1,274	30	+	39	..	..	..	..
1951-52 (Budget)		(4,158)			(3,924)			(+)	224				
July-June													
1938-39		5,103	2,189	43	8,966	1,206	13	—	3,862	67,375	8	1,308	40,440
1944-45		44,762	35,173	79	98,703	90,501	92	—	53,941	183,838	24	51,177	258,682
1945-46		40,027	30,885	77	60,703	48,470	81	—	20,676	182,691	22	51,843	269,422
1946-47		40,043	29,306	73	39,289	16,812	43	+	754	180,300	22	41,071	258,286
1947-48		42,211	31,171	74	33,791	11,500	34	+	8,419	198,700	21	36,345	252,292
1948-49		38,246	29,482	77	40,057	12,158	30	—	1,811	223,500	17	40,963	252,770
1949-50		37,045	28,263	76	40,167	12,378	31	—	3,122	216,800	17	31,951	254,357
1950-51 (Revised)		44,312	35,159	79	47,210	21,017	45	—	2,699	236,200	19	..	260,300
1951-52 (Budget)		55,138	46,025	83	71,594	41,431	58	—	16,456	..	..	..	276,300

Figures in brackets are according to the alternative classification adopted since 1947-48. Other figures are according to the conventional form of accounts.

Figures revised according to the new system of accounting. Column 11 comprises Treasury bills and certificates of indebtedness. † Excludes effect of budget proposals.

January-December

U.S.S.R.		128	..	..	124	23	19	+	4	..	..	..	..
(Billions of Roubles)													
1938		269	..	..	264	138	52	+	5	..	..	..	..
1945		302	..	..	299	128	43	+	3	..	..	..	..
1946		325	..	..	308	73	24	+	17	..	..	..	..
1947		385	..	..	361	66	18	+	24	..	..	..	..
1948		408	..	..	369	66	18	+	39	..	..	..	..
1949		437	..	..	412	79	19	+	25	..	..	..	..
1950		422	..	..	413	83	20	+	9	..	..	..	..
1951		458	..	..	452	96	21	+	6	..	..	..	..

STATEMENT 7

WHOLESALE PRICES OF CERTAIN PRINCIPAL COMMODITIES IN THE UNITED STATES* (Reference paragraph 7)

End of		Sulphuric Acid	Zinc	Aluminium	Tin	Rubber	Cotton	Wool Tops	Copper†	Lead	(U. S. Dollars)	
		Per 100 lbs.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.
October	1949	..	1.65	0.0925	0.298	0.960	0.164	0.292	1.70	0.176	0.130	0.198
November	"	..	1.65	0.0975	0.298	0.840	0.169	0.293	1.75	0.185	0.120	0.185
December	"	..	1.65	0.1000	0.298	0.780	0.181	0.302	1.77	0.185	0.120	0.185
January	1950	..	1.65	0.0975	0.298	0.750	0.182	0.310	1.84	0.185	0.120	0.187
February	"	..	1.65	0.0975	0.298	0.742	0.195	0.323	1.78	0.185	0.120	0.187
March	"	..	1.65	0.1000	0.298	0.775	0.196	0.314	1.86	0.185	0.105	0.181
April	"	..	1.65	0.1100	0.298	0.770	0.237	0.321	1.84	0.195	0.105	0.183
May	"	..	1.90	0.1300	0.298	0.781	0.337	0.332	2.00	0.205	0.120	0.187
June	"	..	2.15	0.1500	0.303	0.785	0.317	0.336	2.05	0.225	0.110	0.191
July	"	..	2.15	0.1500	0.303	0.975	0.485	0.388	2.27	0.225	0.120	0.197
August	"	..	2.40	0.1500	0.303	1.025	0.550	0.379	2.85	0.225	0.140	0.200
September	"	..	2.40	0.1750	0.303	1.025	0.595	0.407	2.95	0.244	0.160	0.198
October	"	..	1.90	0.1750	0.335	1.132	0.605	0.387	2.95	0.244	0.160	0.178
November	"	..	1.90	0.1750	0.335	1.460	0.725	0.420	3.14	0.244	0.170	0.190
December	"	..	1.90	0.1750	0.335	1.500	0.780	0.428	3.50	0.242	0.170	0.209

* As quoted in the New York Market.

† Quotations of copper relate to copper conn. upto August 1950 and to copper refinery thereafter.

STATEMENT 8

WORLD GOLD PRODUCTION

(Reference paragraph 8)

COUNTRIES	1939	1940	1942	1943	1944	1945	1946	1947	1948	1949	1950	(Thousands of fine ounces)	
												Percentag increase (+) or decrease (-) over 1949	1949
I. British Commonwealth	22,471	24,054	22,466	19,084	17,508	17,229	17,196	16,863	17,785	18,496*	18,733*		
(a) Australia	..	1,646	1,154	751	657	637	824	938	891	893	850*	- 4.8	
(b) Canada	..	5,094	4,841	3,651	2,923	2,697	2,828	3,070	3,530	4,113	4,448	+ 8.1	
(c) Gold Coast	..	886	779	567	523	539	586	553	672	677	680*	+ 0.4	
(d) Indian Union	..	317	289	256	188	168	132	172	180	164§	107§	+ 20.1	
(e) New Zealand	..	179	186	166	149	142	119	112	94	85	85*	- 3.4	
(f) Southern Rhodesia	796	826	760	657	593	568	545	523	514	528	510	- 0.4	
(g) Union of South Africa	..	14,047	14,127	12,804	12,280	12,225	11,927	11,200	11,585	11,705	11,663	- 0.4	
II. Latin American Countries													
(a) Brazil	..	264	157	160	178	212	175	167	157	180*	180*		
(b) Chile	..	325	187	174	204	180	231	169	164	179	200*	+ 11.7	
(c) Colombia	..	570	597	566	554	507	437	383	335	359	406	+ 13.1	
(d) Mexico	..	883	801	632	509	490	421	465	388	405	400*	- 1.2	
(e) Peru	..	281	253	197	175	173	158	116	111	112	110*	- 1.8	
III. United States of America	4,621	4,863	3,583	1,381	1,022	915	1,462	2,165	2,025	1,996	2,375	+ 19.0	
IV. All Countries†	..	39,038	40,702*	26,694*	24,305*	23,101*	23,504*	23,866*	24,633*	25,500*	26,100*	+ 2.4	
British Commonwealth :													
Percentage	..	58.9	65.3	71.6	72.0	74.6	73.2	70.7	72.2	72.5	71.8	- 1.0	
Union of South Africa :													
Percentage	..	34.4	41.0	48.0	60.5	62.9	50.7	46.9	47.0	45.9	44.7	- 2.6	

* Estimated or provisional figures. † Inclusive of Russian production placed nominally at 2 million ounces. (The Report of the Bank for International Settlements for 1949-50, however, places annual Russian production at 4 million ounces since 1940). § Includes figures for Hyderabad.

Source : Union Corporation Limited, South Africa.

STATEMENT 9

IBRD LOANS DURING 1950-51

(Reference paragraph 9)

COUNTRY	Date	Amount (Millions of U.S. Dollars)	Purpose	Terms of the Loan
1. India	April 1950	18.5	For financing a part of the Bokaro-Konar Project.	The loan is for a term of twenty years and carries an interest rate of 3 per cent plus one per cent usual commission. Amortization payments will start on 15 April 1955.
2. Mexico	April 1950	26.0	For electric power development.	The loan is for a term of 25 years and bears $3\frac{1}{2}$ per cent interest plus one per cent usual commission. Amortization payments will start on 1 August 1953.
3. Brazil	May 1950	15.0	For electric power development.	The loan is for a term of 25 years and bears $3\frac{1}{2}$ per cent interest plus one per cent commission. Amortization payments will start on 15 September 1954.
4. Iraq	June 1950	12.8	For flood control.	The loan is for a term of 15 years and carries an interest rate of $2\frac{1}{2}$ per cent plus commission of one per cent. Amortization payments will start on 1 April 1956.
5. Turkey	July 1950	(a) 12.5 (b) 3.9	For port development. For grain storage facilities.	The loan is for a term of 25 years and carries an interest rate of $3\frac{1}{2}$ per cent plus commission of one per cent. Amortization payments will start in 1956.
6. Australia	August 1950	100.0	For development projects.	The loan is for a term of 18 years and bears $2\frac{1}{2}$ per cent interest plus one per cent commission. Amortization payments will start in 1954.
7. Uruguay	August 1950	33.0	For development of power and telephone facilities.	The loan is for a term of 25 years and carries an interest rate of $3\frac{1}{2}$ per cent plus one per cent commission. Amortization payments will start on 1 September 1955.
8. Ethiopia	September 1950	7.0	For developing the road system and to finance developmental projects.	The loan is for a term of 24 years and bears $3\frac{1}{2}$ per cent interest plus one per cent commission. Amortization payments will start on 16 February 1955.
				The loan is for a term of 20 years and bears 3 per cent interest plus one per cent commission. Amortization payments will start in 1956.

9. Mexico	October 1950	10.0	To finance small enterprises in Mexico.	The loan was made to a consortium of Mexican banks which will relend this amount to Mexican small private enterprises. The period for which the loans will be made by the Mexican banks will not in general exceed five years. Interest on each loan will be $2\frac{1}{2}$ per cent plus one per cent usual commission.
10. Turkey	October 1950	9.0	For industrial development projects undertaken by private enterprise.	The loan is for a term of 15 years and carries an interest rate of $2\frac{3}{4}$ per cent and one per cent commission. Amortization payments will start in 1957.
11. Thailand	October 1950	(a) 3.0	For rehabilitation of railways.	The loan is for a term of 15 years and bears $2\frac{1}{2}$ per cent interest plus one per cent commission. Amortization payments will start on 15 April 1954.
		(b) 4.4	For the development of the port of Bangkok.	do.
		(c) 18.0	For financing the foreign exchange costs of an irrigation project.	The loan is for a term of 20 years and bears 3 per cent interest plus one per cent usual commission. Amortization payments will start on 15 April 1956.
12. Colombia	November 1950	3.5	For the construction of hydro-electric plant on Anchicaya River.	The loan is for a term of 20 years and carries an interest rate of 3 per cent plus the usual commission of one per cent. Amortization payments will start on 1 May 1954.
	December 1950	2.6	For power development.	The loan is for a term of 20 years and carries an interest rate of 4 per cent including the usual one per cent commission. Amortization payments will start on 15 August 1952.
13. Brazil	January 1951	15.0	For power development.	The loan is for a term of 25 years and carries an interest rate of $4\frac{1}{4}$ per cent including one per cent usual commission. Amortization payments will begin on 1 July 1955.
14. South Africa	January 1951	(a) 30.0	For power development.	The loan is for a term of 20 years and bears 4 per cent interest including the usual commission. Amortization payments will start on 15 May 1954.
		(b) 20.0	For improvement of transport facilities.	The loan is for a term of 15 years and carries an interest of $3\frac{1}{4}$ per cent including the usual one per cent commission. Amortization payments will start on 15 May 1956.
15. Ethiopia	February 1951	1.6	For rehabilitation and extension of the telephone and telegraph systems.	The loan is for a term of 20 years and carries interest at the rate of 3 per cent plus the usual commission of one per cent. Amortization payments will begin on 1 March 1956.

STATEMENT 10

SELECTED ECONOMIC INDICATORS (QUARTERLY)

(Reference paragraph 10)

Items	Unit/Base	1939-40				1948-49				1949-50				1950-51			
		II		I		II		I		II		I		II		I	
I. Production and Prices (Quarter-end figures)																	
<i>A.—Index numbers of Industrial Production</i>																	
1. All Industries ..	1946=100																
<i>B.—Price Indices</i>																	
2. Wholesale Prices																	
Year ended																	
August																	
3. Cost of Living (Bombay)	1939=100																
4. Government and Semi-Government Securities	1939=100																
5. Fixed dividend Industrial Securities	1938=100																
6. Variable dividend Industrial Securities	"																
7. Bullion :	"																
(a) Gold (Bombay Spot)	June-Aug. 1939=100																
(b) Silver (Bombay Spot)	"																
II. Trade																	
8. Total Imports	(Crores of Rupees)																
9. Total Exports	"																
10. Net Balance of Trade	"																
11. Total number of Wagons Loaded*	"000" Nos.																

Note.—Figures from 1948-49 relate to the Indian Union ; earlier figures relate to undivided India. Figures from July 1948 in respect of Item No. 16 are exclusive of the assets allocated to Pakistan. §§ Figures from 1949-50 include land frontier trade with Pakistan. * Including miscellaneous smalls, miscellaneous full wagons, and home line stores and materials. † Inclusive of inter-bank borrowings. ‡ Including Burma. ** Includes customs, central excise duties, income-tax and salt. § April to quarter-end; figures relate to Central Government.

STATEMENT II

AGRICULTURAL PRODUCTION IN THE INDIAN UNION

(Reporting Areas Only)

(Reference paragraph 18)

Commodity	Unit	1939	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950†
1. Rice	.. (000 tons)	17,847	16,576	17,343	18,107	20,846	19,771	18,208	19,985	19,584	21,748	21,926
2. Wheat	.. (")	6,944	6,928	6,446	6,945	6,324	6,849	5,907	4,744	5,389	5,471	6,110
3. Jowar‡	.. (")	6,368	6,892	6,153	6,437	6,541	6,862	5,517	5,277	5,967	5,011	5,743
4. Bajra‡	.. (")	2,200	2,669	2,632	3,374	3,273	3,339	2,803	2,667	2,764	2,120	2,530
5. Maize‡	.. (")	1,521	1,844	1,658	2,035	1,969	2,269	2,060	2,035	2,127	1,754	1,979
6. Ragi	.. (")	1,550	1,854	1,845	1,771	1,764	1,638	1,170	1,476	1,455	1,455	1,438
7. Barley	.. (")	1,719	2,124	1,837	2,041	1,898	2,138	1,962	2,414	2,604	2,166	2,170
8. Gram	.. (")	2,749	3,004	2,720	3,514	2,826	3,227	3,141	3,599	4,503	4,535	3,651
Total	.. (")	40,898	41,891	40,634	44,224	45,441	46,093	40,768	42,197	44,393	44,260	45,547
9. Raw Sugar	(")	2,848	5,055	3,709	4,439	5,094	4,740	4,552	4,913	5,817	4,869	4,938
10. Tea*	.. (000 lbs.)	4,37,003	4,71,285	5,01,508	5,04,975	4,75,038	4,91,613	5,34,848	5,01,740	5,75,866	5,85,390	..
11. Coffee**	.. (tons)	17,962	14,037	16,185	16,052	16,881	17,720	20,527	18,150	15,612	15,584	17,238

Notes:—Figures relate to the agricultural year ending June except where otherwise indicated. †Final Estimates. ‡Figures from 1945 are not strictly comparable with those relating to earlier years owing to an increase in reporting areas. * Figures relate to the calendar year. ** From 1944 onwards, figures are converted into tons at the rate of 2,240 lbs. = 1 ton.

Sources: Abstract of Agricultural Statistics of India, 1949; Estimates of Area and Yield of Principal Crops in undivided India, 1949; Area and Yields of Principal Crops in India, March 1951, and Final Crop Forecasts.

STATEMENT 12

PRODUCTION OF INDUSTRIAL RAW MATERIALS IN THE INDIAN UNION

(Reference paragraph 18)

Commodity	Unit	1939	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951
1. Oilseeds	(000 tons)	4,811	5,476	4,203	4,578	5,431	5,548	5,013	5,148	5,117	4,502	5,142	5,069
(a) Sesamum	(")	364	401	382	424	411	353	354	323	351	335	431	421†
(b) Groundnut (Nuts in shell)	(")	3,219	3,702	2,345	2,858	3,823	3,856	3,466	3,588	3,411	2,901	3,379	3,331*
(c) Rape and Mustard	(")	690	846	837	757	692	828	719	792	806	735	793	826*
(d) Linseed	(")	427	422	346	393	365	380	351	328	431	423	411	385*
(e) Castorseed	(")	111	105	93	146	140	131	123	117	118	108	128	106*
2. Cotton	(000 bales)	3,601	4,365	4,429	3,002	3,705	2,222	2,167	2,168	2,188	1,767	2,970	..
3. Jute	(")	1,638	2,773	1,846	1,637	1,463	1,164	1,459	1,320	1,658	2,055	3,089	3,292*
4. Lac	(000 mds.)	1,465	1,233	1,421	1,374	849	962	1,127	1,767	972	806	1,161	926
5. Mica	(000 cwt.s.)	199	287	203	202	72	96	210	193	152	271	..	..
6. Iron Ore	(000 tons)	3,166	3,194	3,219	2,655	2,364	2,264	2,408	2,498	2,285	2,809	..	..
7. Manganese Ore	(")	845	786	757	595	371	211	253	451	467	646	..	..
8. Rubber	(")	..	16	17	17	17	16	16	16	15	16	16	..
9. Silk Raw	(000 lbs.)	..	1,524	1,724	1,858	1,939	2,060	2,100	2,122	2,232	2,104	2,127	..

Note.—Items 1-3 refer to the agricultural year ending June and relate to production in reporting areas only. Item 4 refers to the financial year Items 5-9 refer to the calendar year. Items 5-7: figures upto and including 1946 relate to undivided India. † Supplementary Crop Forecast.
* Final Crop Forecast.

Sources: Items 1-3: As in Statement 11. Item 4: figures supplied by the Indian Lac Cess Committee. Items 5-7: figures supplied by the Ministry of Natural Resources and Scientific Research. Items 8 and 9: figures supplied by the Ministry of Commerce and Industry.

STATEMENT 13

INDUSTRIAL PRODUCTION IN INDIA

(Reference paragraph 19)

Industry	Unit	1938	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Finished Steel* (000 tons)		702	886	1,000	923	947	934	954	890	893	856	930	1,005
Cotton Yarn (million lbs.)		1,289	1,276	1,537	1,529	1,685	1,643	1,644	1,367	1,296	1,448	1,359	1,174
Cotton Piece-goods (million yds.)		4,306	4,092	4,531	4,025	4,751	4,852	4,711	3,909	3,762	4,319	3,904	3,665
Jute Manu- factures* (000 tons)		1,266	1,234	1,194	1,278	1,084	1,115	1,086	1,089	1,052	1,091	946†	836†
Paper and Paper Boards (000 cwt.s.)		1,164	1,698	1,854	1,810	1,792	1,927	1,964	2,120	1,862	1,958	2,064	2,178
Sulphuric Acid (,)		485	731	874	784	864	804	734	1,200	1,200	1,600	1,989	2,050
Ammonium Sulphate (000 tons)		14.5	25.4	29.7	27.3	21.7	23.5	22.0	22.5	21.3	35.2	45.9	47.3
Paints (000 cwt.s.)		572	728	1,064	1,055	1,105	1,141	1,030	768	772	715	619	559
Matches (milliongross)		21.6	22.8	19.2	14.4	16.8	18.0	22.8	20.6	23.3	26.7	26.3	26.2
Sugar‡ (000 tons)		994	1,182	1,210	886	1,075	1,091	967	923	901	1,075	1,001	976
Cement (,)		1,404	1,712	2,083	2,188	2,118	2,048	2,209	1,542	1,448	1,553	2,102	2,613
Salt§§ (000 mds.)		43,968	43,093	52,087	50,120	53,519	50,708	54,602	47,871	51,602	63,524	55,616	71,318
Coal Raisings (000 tons)		28,344	29,388	29,460	29,436	25,512	26,040	28,716	28,885	30,000	29,822	31,450	31,994
Electricity (millionkwh.)													
Generated	2,808	3,240	3,276	3,576	3,898	4,116	3,892	4,073	4,575	4,909	5,088
Sold	2,341	2,724	2,770	3,012	3,212	3,439	3,348	3,415¶	3,721	3,984	4,103
Kerosene (000 gallons)		38,284	38,413	39,553	25,484	19,894	17,942	11,110	14,486	13,594¶	11,382	11,611	..

Note.—Figures from August 1947 relate to the Indian Union. * Figures relate to the Indian Union. † From August 1949, figures relate to the production of mills in the membership of the Indian Jute Mills Association and also to one non-member mill. ‡ Figures from 1946 relate to the crop year November to October. §§ Figures upto 1946 relate to fiscal year beginning April. ¶ Data based on the average for last 5 months.

Sources : Monthly Abstract of Statistics ; Ministry of Commerce and Industry ; Monthly Survey of Business Conditions.

STATEMENT 14

INDEX NUMBERS OF WHOLESALE PRICES IN INDIA AND COST OF LIVING * IN BOMBAY

(Compiled by the Office of the Economic Adviser to the Government of India)

(Average of weekly figures)

(Reference paragraph 20)

(A) SENSITIVE SERIES

(Base : Week ended 19 August 1939=100)

Year	Agricultural Commodities	Raw Materials	Primary Commodities	Manufactured Articles	Chief Articles of Export†	General Index‡	Cost of Living* (Bombay)
1939-40	127.56	118.86	124.26	131.56	130.56	125.66	105
1940-41	108.6	121.5	113.4	119.8	114.1	114.8	109
1941-42	124.2	146.9	132.5	154.5	137.3	137.0	122
1942-43	166.2	165.9	166.0	190.4	161.7	171.0	166
1943-44	268.7	185.0	232.5	251.7	236.4	236.5	226
1944-45	265.4	206.0	240.5	258.3	243.9	244.2	225
1945-46	272.6	210.0	246.2	240.0	248.9	244.9	228
1946-47	313.8	235.3	280.0	259.1	296.8	275.4	252
1947-48	356.9	254.0	312.6	287.8		307.0	268

(B) GENERAL PURPOSE SERIES

(Base : Year ended August 1939=100)

Year and Month	Food Articles	Industrial Raw Materials	Semi- Manufactures	Manufactured Articles	Miscellaneous	General Index	Cost of Living* (Bombay)
1947-48	306.1	377.5	261.6	286.4	456.2	308.2	268
1948-49	382.9	444.8	327.3	346.1	525.2	376.2	297
1949-50	391.3	471.7	331.6	347.2	570.7	385.4	291
1950-51	416.4	523.1	348.9	354.2	707.4	409.7	302
April 1949	373.8	462.8	325.2	347.0	528.5	376.1	290
May "	377.0	463.8	324.5	347.1	526.1	377.1	291
June "	381.6	459.7	326.3	349.2	502.3	378.3	286
July "	395.9	449.4	326.7	344.7	535.1	380.6	288
August "	410.6	460.5	330.8	348.6	541.6	389.0	291
September "	403.1	468.5	335.0	351.4	547.1	389.8	291
October "	406.8	477.9	332.3	352.6	588.8	393.3	292
November "	405.1	472.4	333.9	344.2	612.0	390.2	295
December "	374.1	477.6	334.1	343.8	609.8	381.3	293
January 1950	379.1	486.2	325.5	344.6	614.9	384.7	294
February "	395.3	493.3	338.1	346.5	632.3	392.3	290
March "	396.2	490.1	338.2	347.4	630.6	392.4	288
April "	399.3	483.9	332.7	347.8	620.0	391.3	292
May "	401.2	485.9	335.0	348.3	642.4	393.3	297
June "	402.8	490.7	335.5	347.6	692.0	395.6	297
July "	422.8	505.9	339.6	348.2	708.9	405.2	304
August "	426.5	513.1	343.8	349.9	727.3	409.2	307
September "	430.4	517.0	346.9	350.4	760.8	412.5	308
October "	427.3	520.1	346.9	350.4	728.6	411.2	304
November "	424.3	522.0	347.9	349.5	744.7	410.9	297
December "	423.9	533.8	351.0	350.0	718.0	412.6	295
January 1951	413.5	552.0	358.8	353.5	701.1	414.3	303
February "	414.0	556.5	371.6	369.7	706.3	423.4	306
March "	412.0	608.9	381.4	387.2	753.4	438.6	316

* Monthly indices compiled by the Office of the Deputy Commissioner of Labour (Information) Bombay; original base-year ended June 1934=100 shifted to August 1939=100; annual figures are averages of monthly indices.

† Discontinued from April 1947. ‡ Discontinued from April 1948.

§ Seven months ended March 1940.

WEEKLY INDEX NUMBERS OF WHOLESALE

(Base : Year ended

(Reference

Week ended	Food Articles				Industrial Raw Materials				
	Cereals	Pulses	Others*	Group Index	Fibres	Oilseeds	Minera	Others†	Group Index
	1	2	3	4	5	6	7	8	9
1 April 1950..	456	441	302	397.0	471	619	336	364	485.5
8 " " "	460	418	306	398.9	472	628	338	349	486.7
15 " " "	460	416	307	399.5	462	625	340	347	480.7
22 " " "	458	409	316	401.7	462	637	338	348	483.7
29 " " "	455	400	316	399.3	457	646	339	345	482.3
6 May " " "	457	393	326	403.9	460	649	342	339	484.8
13 " " "	458	405	318	402.3	458	649	341	344	484.1
20 " " "	456	406	317	400.9	458	653	338	355	485.6
27 " " "	452	406	314	397.5	463	655	341	356	489.1
3 June " " "	456	403	318	400.9	468	654	338	353	491.1
10 " " "	455	398	318	399.6	469	655	340	363	493.4
17 " " "	457	406	323	403.4	459	642	338	362	484.3
24 " " "	456	429	327	407.1	468	657	342	371	494.2
1 July " " "	467	463	330	416.2	472	661	338	364	496.2
8 " " "	476	465	333	422.4	480	672	340	381	504.7
15 " " "	477	460	333	422.6	482	681	340	383	508.3
22 " " "	477	464	339	425.7	483	688	338	374	509.1
29 " " "	479	454	343	427.1	485	690	338	384	511.6
5 August " " "	479	465	346	428.9	482	697	349	367	511.4
12 " " "	475	464	341	424.9	481	697	343	395	512.8
19 " " "	477	461	336	423.6	480	700	345	396	513.0
26 " " "	481	490	338	428.6	482	705	342	402	515.1
2 September " " "	482	476	331	425.3	482	709	343	403	516.3
9 " " "	484	477	333	427.6	482	707	350	400	517.0
16 " " "	485	473	344	432.4	482	709	346	402	516.8
23 " " "	488	473	343	433.2	483	708	346	407	518.0
30 " " "	487	477	344	433.6	482	705	343	417	517.1
7 October " " "	483	477	345	431.5	491	698	345	423	521.2
14 " " "	493	487	337	434.1	489	693	356	424	521.0
21 " " "	500	483	311	426.5	484	704	342	424	518.4
28 " " "	503	490	287	417.2	486	674	387	432	519.9
4 November " " "	519	502	285	424.6	487	662	387	423	516.6
11 " " "	521	509	281	424.5	501	659	390	430	524.8
18 " " "	522	513	279	423.6	500	649	395	428	522.6
25 " " "	523	512	279	424.6	500	655	391	434	524.1
2 December " " "	531	515	286	431.8	501	663	389	442	526.6
9 " " "	513	507	292	425.6	500	679	389	450	530.7
16 " " "	508	500	292	422.8	500	684	398	468	534.6
23 " " "	500	504	293	419.7	501	693	389	473	536.4
30 " " "	500	509	293	419.8	502	701	391	496	541.1
6 January 1951..	488	504	292	413.1	502	722	404	499	547.8
13 " " "	488	507	292	413.4	503	732	400	512	550.9
20 " " "	487	513	293	413.7	505	737	400	503	552.4
27 " " "	487	511	294	413.8	505	733	393	585	556.7
3 February " " "	485	509	294	412.7	507	734	400	595	559.5
10 " " "	489	501	294	414.3	503	733	403	596	557.6
17 " " "	488	510	294	414.4	503	730	398	591	555.6
24 " " "	488	519	294	414.8	501	727	389	602	553.7
3 March " " "	487	518	291	413.0	501	724	398	626	555.6
10 " " "	481	518	288	408.3	503	723	396	653	557.6
17 " " "	485	524	287	410.6	649	716	397	641	635.9
24 " " "	493	526	286	414.3	671	709	406	659	648.0
31 " " "	497	505	285	414.1	688	707	414	640	655.8

* Comprising tea, coffee, sugar, gur and salt. † Comprising hides raw, skins raw, lac and rubber.

Source:—Office of the Economic Adviser to the Government of India.

MENT 15

PRICES (GROUPS AND SUB-GROUPS), 1950-51

August 1939=100)

Paragraph 20)

Semi-Manufactures								Manufactured Articles				Miscellaneous†	All
Leather	Mineral oils	Vegetable oils	Cotton Yarn	Metals	Oil-cakes	Others*	Group Index	Textiles	Metal Products	Others†	Group Index	neous†	Commodities
10	11	12	13	14	15	16	17	18	19	20	21	22	23
352	190	645	410	172	430	272	331.1	402	269	267	347.1	630.5	390.4
348	190	654	413	172	435	272	332.4	402	269	266	346.9	620.7	391.2
349	190	652	414	172	441	267	332.6	402	269	268	347.7	620.4	390.8
340	190	652	414	172	445	285	333.2	402	269	268	347.7	618.7	392.0
338	190	676	414	172	445	274	334.2	405	269	270	349.7	610.1	391.7
338	190	678	414	173	447	277	334.8	402	269	273	348.5	641.5	394.1
333	190	681	414	173	447	273	334.5	401	269	273	348.6	638.3	393.2
334	190	682	414	173	457	271	334.8	400	269	273	348.0	640.3	393.0
327	190	678	408	173	464	327	335.9	400	269	274	348.2	649.4	393.0
335	190	666	409	173	470	315	335.6	400	269	275	348.3	681.4	395.1
334	190	664	409	175	467	311	335.9	400	269	274	348.1	699.3	395.5
333	190	657	409	175	467	316	335.2	398	269	274	347.0	694.9	394.7
335	190	663	409	174	467	315	335.5	398	269	273	346.9	692.4	397.1
334	192	664	409	178	478	314	337.5	399	269	273	347.3	707.4	401.1
329	192	680	409	181	485	312	339.4	399	269	275	347.6	706.2	404.6
319	192	686	409	181	493	314	339.5	401	269	275	348.9	711.9	405.8
319	192	690	409	180	515	315	340.2	401	269	271	348.0	706.8	406.5
326	192	697	409	180	509	319	341.4	402	269	276	349.4	712.4	408.2
339	192	701	409	180	512	322	343.1	403	269	276	349.8	710.4	409.1
339	192	701	409	180	521	324	343.6	403	269	276	349.9	726.4	408.6
341	192	705	409	180	510	330	343.8	403	269	276	349.9	736.7	408.5
345	192	711	409	179	515	331	344.7	402	269	277	349.9	736.0	410.5
345	192	711	409	179	518	332	344.8	402	269	277	349.9	754.8	410.2
357	192	703	409	179	520	352	346.1	402	269	279	350.3	760.7	411.4
357	192	717	409	179	520	355	347.5	403	269	279	350.5	761.5	413.2
368	191	719	409	179	520	359	348.5	403	269	279	350.6	761.2	413.8
366	191	712	409	179	518	359	347.6	403	269	279	350.8	766.0	413.8
366	192	707	409	179	519	355	347.3	403	269	279	350.5	761.9	413.5
357	193	704	409	179	523	353	346.5	403	269	279	350.5	704.4	412.9
356	193	709	409	180	523	352	346.9	403	269	279	350.6	703.6	410.3
364	193	693	409	180	523	354	346.6	403	269	275	349.9	746.7	408.3
378	194	690	409	181	518	355	348.1	403	269	276	350.0	743.0	410.4
376	194	690	409	182	523	354	347.3	403	269	274	349.6	743.9	411.2
385	194	688	409	183	523	357	348.2	402	269	275	349.3	743.9	410.8
386	194	690	409	183	515	336	348.1	402	269	274	349.2	748.0	411.2
404	194	698	409	182	505	336	349.5	403	269	274	349.6	746.7	414.2
405	194	703	409	183	505	335	350.4	403	269	273	349.3	736.9	412.8
405	194	706	409	184	505	297	348.8	404	269	275	350.5	705.7	411.8
419	194	717	409	185	502	297	350.9	404	269	275	350.3	706.3	411.5
422	194	732	409	186	510	336	355.0	404	269	274	350.1	695.3	412.7
455	194	716	409	186	510	337	355.8	406	276	275	353.2	694.7	412.8
470	194	728	409	187	510	325	357.5	406	276	275	353.2	698.8	413.7
502	193	724	409	186	499	326	358.3	405	276	274	352.6	700.6	414.0
511	194	726	420	187	505	341	363.7	408	276	280	355.2	710.8	416.8
532	194	723	420	187	508	328	364.0	421	279	286	364.3	710.1	420.1
543	194	726	451	188	518	329	374.8	432	279	285	370.3	705.2	424.3
563	194	718	451	189	500	328	374.6	434	279	286	371.9	706.0	424.6
528	194	714	451	188	502	342	373.2	434	279	286	371.9	704.1	424.1
528	195	727	462	189	500	344	377.9	434	279	294	373.8	742.3	426.4
519	195	718	462	190	500	353	377.6	434	278	294	373.7	760.0	425.4
547	195	712	477	189	502	352	383.0	471	278	297	394.8	755.0	444.5
587	195	717	476	189	500	334	384.1	473	278	299	396.1	754.6	447.9
586	195	717	476	190	499	334	384.2	477	278	299	398.3	755.1	449.6

* Comprising timber and coir yarn. † Comprising shoes, tyres and tubes, cement, paper, matches, glass, soap, chemicals, paints, cigarettes, liquors and dyestuffs. ‡ Comprising vanaspathi dalda, spices and condiments, betelnuts, cashew-nuts, bricks and tiles and tobacco leaf.

STATEMENT 15 (A)

MOVEMENTS IN PRICE INDICES (GROUPS AND SUB-GROUPS) SINCE (1) DEVALUATION AND (2) KOREAN WAR

(Base: Year ended August 1939=100)

(Reference paragraph 20)

Commodity Groups	August 1949*	March 1950*	June 1950*	December 1950*	March 1951*	Percentage increase (+) or decrease (-) of Col. 2 over Col. 1			Percentage increase (+) or decrease (-) of Col. 3 over Col. 2		
						1	2	3	4	5	6
I. Food Articles
1. Cereals
2. Pulses
3. Others
II. Industrial Raw Materials
1. Fibres
2. Oilseeds
3. Minerals
4. Others
III. Semi-Manufactures
1. Leather
2. Mineral Oils
3. Vegetable Oils
4. Cotton Yarn
5. Metals
6. Oilcakes
7. Others
IV. Manufactured Articles
1. Textiles
2. Metal Products
3. Others
V. Miscellaneous
VI. All Commodities

* Average of weeks.

Source: Office of the Economic Adviser to the Government of India.

STATEMENT 16

MONEY SUPPLY† IN UNDIVIDED INDIA

(Reference paragraph 21)

	March 1939	March 1940	March 1941	March 1942	March 1943	March 1944	March 1945	March 1946	(Crores of Rupees) March 1947 March 1948
1. Currency—									
1. India notes in circulation	178	225	241	382	644	882	1,085	1,219	1,304
2. Variation/Circulation of rupee coin‡	-13	+10	+33	+7	124**	137	147	166	155
3. Notes and coin with Treasuries††	2	2	2	2	1	2	3	7	1*
4. Cash on hand of scheduled, non-scheduled and co-operative banks**	9	10	13	16	23	34	41	51	49
5. Currency with the public (excluding small coin) (1+2-3-4)	..	..	..	..	742	983	1,188	1,327	1,409
6. Variation in currency with the public	..	+56	+46	+145	+260	+241	+205	+139	+51
11. Deposits—									
7. Demand liabilities of scheduled, non-scheduled and co-operative banks***	168	187	215	276	435	506	682	807	849
8. Deposits with the Reserve Bank:									
(a) Deposits of the Central Government	9	8	5	7	19	76	254	521	320
(b) Deposits of banks	11	18	35	42	47	50	85	77	79
(c) Deposits of other Governments	7	11	12	12	16	25	29	35	24
(d) Other deposits	1	1	6	2	5	15	23	10	2195
9. Deposits with the Reserve Bank excluding those of the Central Government and banks (8, c+d)	8	12	18	14	21	40	52	45	455
10. Deposit money with the public (7+9)	176	199	233	290	456	636	734	852	894
11. Variation in deposit money with the public	..	+23	+34	+57	+166	+180	+98	+115	+55
111.12. Money Supply with the public (excluding small coin) (5+10)	..	..	..	..	1,198	1,619	1,922	2,179	2,303
13. Variation in money supply with the public	..	+79	+80	+202	+465	+421	+303	+257	+106

Note.—Figures are as on last Friday. Figures for Burma are excluded. † Excluding small coin.

‡ Rupee coin circulation is available from October 1943 onwards; upto March 1942 the figures relate to absorption or return of rupee coin.

** October 1943. * Relates to the Indian Union only. †† As on last day of the month.

‡‡ For some periods figures relating to non-scheduled banks are estimates, while figures for March 1948 are for the Indian Union only; figures relating to co-operative banks are as at the end of June; these data (on a pre-partition basis) are available upto June 1947 only and have been assumed to be constant thereafter. § Inclusive of inter-bank demand deposits of scheduled banks. §§ Excluding balance held on IMF Account No. 1.

STATEMENT 16 (A)

MONTHLY VARIATIONS IN MONEY SUPPLY* IN THE INDIAN UNION 1950-51

(Reference paragraph 21)

(Crores of Rupees)

	Apr. 1950	May 1950	June 1950	July 1950	Aug. 1950	Sept. 1950	Oct. 1950	Nov. 1950	Dec. 1950	Jan. 1951	Feb. 1951	Mar. 1951	1950-51	1949-50	1948-49
I. Currency															
1. India notes in circulation ..	+21.1	-2.9	-13.2	-36.2	-22.8	-14.0	+10.2	+8.0	+19.5	+27.4	+26.5	+30.2	+83.9	+5.8	-7.8
2. Circulation of rupee coin ..	+0.6	+2.0	-0.6	-2.2	-0.9	-1.0	+1.0	+0.4	+1.4	+2.5	+1.8	+0.7	+5.8	+2.3	-4.3
3. Notes and coin with Treasury ..	+1.8	+0.4	+1.8	-0.4	-0.4	..	+0.5	+0.4	-0.4	-1.4	+1.1	-0.7	+2.8	+0.4	-0.1
4. Cash on hand of scheduled, non-scheduled and co-operative banks**	+2.6	+0.2	+10.9	-11.7	-0.7	-0.6	+4.3	-2.5	+6.6	-7.0	+1.5	-0.3	+3.2	-3.3	-0.5
5. Currency with the public (Excluding small coin) (1+2-3-4) ..	+17.3	-1.5	-26.5	-26.3	-22.6	-14.4	+6.4	+10.5	+44.7	+38.3	+25.7	+31.9	+83.7	-0.6	-11.5
II. Deposits															
6. Demand liabilities of scheduled (including inter-bank demand deposits), non-scheduled and co-operative banks**	+8.7	-11.7	-0.7	+13.8	-3.3	+1.2	+5.4	-3.4	-5.0	+13.2	+3.2	+2.2	+23.4	-43.0	-37.1
7. Inter-bank demand deposits of scheduled banks ..	-1.0	-7.5	-4.0	+2.8	+0.1	+0.9	+0.6	-3.5	+3.4	+10.4	-0.9	-4.0	-2.6	-9.1	..
8. Deposits with the Reserve Bank:															
(a) Deposits of the Central Government ..	+4.1	-4.7	+12.0	-4.5	+9.4	+18.5	-11.2	-3.2	+14.8	-0.3	-0.1	-2.0	+32.8	-54.7	-83.6
(b) Deposits of banks ..	-1.4	+2.9	-2.0	+24.2	-2.3	+5.9	-2.5	+4.0	-26.4	-6.4	+8.9	+1.5	+6.4	-2.1	+0.7
(c) Deposits of other Governments ..	-18.4	-4.1	-8.0	+2.5	+0.5	-1.9	+7.7	-5.9	-3.3	+0.6	-2.1	+13.0	-19.2	+21.1	+3.8
(d) Other deposits ..	-2.5	-2.2	+4.7	-2.2	-0.8	..	+0.4	+1.0	-1.1	-0.9	+6.0	+6.3	+8.7	-5.0	+1.5
9. Deposits with the Reserve Bank (Excl. those of Central Government and banks) (8, c+d) ..	-20.9	-6.3	-3.3	+0.3	-0.3	-1.9	+8.1	-4.9	-1.4	-0.3	+3.9	+19.3	-10.5	+16.1	+5.3
10. Deposit money with the public (6-7+9) ..	-11.2	-10.5	..	+11.3	-3.7	-1.6	+12.9	-4.8	-12.8	+2.5	+8.0	+25.5	+15.5	-17.8	-31.85
III. Money supply with the public (excluding small coin) (5+10) ..	+6.1	-12.0	-26.5	-15.0	-26.3	-16.0	+19.3	+5.7	+31.9	+40.8	+33.7	+57.4	+99.2	-18.4	-43.3

Note.—Figures are provisional. Variations in figures as on last Friday. * Excluding small coin. † Variations in figures as on last day of the month. ** Figures in respect of co-operative banks have not been taken into account as these are not available on a monthly basis. ‡ Excluding balance held on IMF Account No. I. § As the figures for inter-bank demand deposits are available only from July 1948, these have not been taken into account in computing deposit money with the public for the year 1948-49.

STATEMENT 17

SEASONAL TRENDS IN NOTES IN CIRCULATION AND SCHEDULED BANKS' DEMAND LIABILITIES SINCE 1935-36

(Reference paragraph 22)

(Crores of Rupees)

Periods	NOTES IN CIRCULATION			DEMAND LIABILITIES*		
	Amount (at the end of period)	Variation during the period	Percentage variation during the period	Amount (at the end of period)	Variation during the period	Percentage variation during the period
UNDIVIDED INDIA						
31 March 1935 to 30 August 1935 ..	154.48	— 9.08	— 5.6	111.22	..	..
30 August 1935 to 8 May 1936 ..	171.94	+ 17.46	+ 11.3	122.98	+ 11.76	+ 10.6
8 May 1936 to 31 July 1936 ..	160.62	— 11.32	— 6.6	126.92	+ 3.94	+ 3.2
31 July 1936 to 9 April 1937 ..	196.09	+ 35.47	+ 22.1	131.10	+ 4.18	+ 3.3
9 April 1937 to 27 August 1937 ..	174.37	— 21.72	— 11.1	128.69	— 2.41	— 1.8
27 August 1937 to 11 March 1938 ..	182.49	+ 8.12	+ 4.7	121.67	— 7.02	— 5.5
11 March 1938 to 26 August 1938 ..	164.57	— 17.92	— 9.8	123.94	+ 2.27	+ 1.9
26 August 1938 to 10 March 1939 ..	183.73	+ 19.16	+ 11.6	120.88	— 3.06	— 2.5
10 March 1939 to 25 August 1939 ..	169.40	— 14.33	— 7.8	135.52	+ 14.64	+ 12.1
25 August 1939 to 14 June 1940 ..	240.02	+ 70.62	+ 41.7	138.05	+ 2.53	+ 1.9
14 June 1940 to 27 September 1940 ..	217.23	— 22.79	— 9.5	157.80	+ 19.75	+ 14.3
27 September 1940 to 27 June 1941 ..	258.80	+ 41.57	+ 19.1	183.94	+ 26.14	+ 16.6
27 June 1941 to 25 July 1941 ..	254.38	— 4.42	— 1.7	188.35	+ 4.41	+ 2.4
25 July 1941 to 14 July 1944 ..	932.22	+ 677.84	+ 266.5	569.72	+ 381.37	+ 202.5
14 July 1944 to 28 July 1944 ..	921.97	— 10.25	— 1.1	575.39	+ 5.67	+ 1.0
28 July 1944 to 13 July 1945 ..	1,140.69	+ 218.72	+ 23.7	623.46	+ 48.07	+ 8.4
13 July 1945 to 27 July 1945 ..	1,128.73	— 11.96	— 1.0	626.52	+ 3.06	+ 0.5
27 July 1945 to 18 January 1946 ..	1,236.59	+ 107.86	+ 9.6	691.24	+ 64.72	+ 10.3
18 January 1946 to 1 February 1946 ..	1,188.45	— 48.14	— 3.9	709.10	+ 17.86	+ 2.6
1 February 1946 to 14 June 1946 ..	1,245.35	+ 56.90	+ 4.8	711.55	+ 2.45	+ 0.3
14 June 1946 to 27 September 1946 ..	1,187.85	— 57.50	— 4.6	748.16	+ 36.61	+ 5.1
27 September 1946 to 11 April 1947 ..	1,253.80	+ 65.95	+ 5.6	682.68	— 65.48	— 8.8
11 April 1947 to 26 September 1947 ..	1,173.59	— 80.21	— 6.4	698.97	+ 16.29	+ 2.4
26 September 1947 to 26 March 1948 ..	1,304.36	+ 130.77	+ 11.1	748.98	+ 50.01	+ 7.2
INDIAN UNION						
26 March 1948 to 30 April 1948 ..	..	+ 15.81	..	691.80	+ 23.25	+ 3.5
30 April 1948 to 24 September 1948 ..	..	— 70.43	..	687.97	— 3.83	— 0.6
24 September 1948 to 13 May 1949 ..	..	+ 75.58	..	606.12	— 81.85	— 11.9
13 May 1949 to 28 October 1949 ..	..	— 124.86	..	600.45	— 5.67	— 0.9
28 October 1949 to 12 May 1950 ..	..	+ 122.06	..	587.90	— 12.55	— 2.1
12 May 1950 to 29 September 1950 ..	..	— 99.76	..	600.83	+ 12.93	+ 2.2
29 September 1950 to 11 May 1951 ..	..	+ 206.88	..	609.58	+ 8.75	+ 1.5

Note.—Busy season periods have been indicated in italics. Figures for Burma are excluded. * Inclusive of inter-bank borrowings.

STATEMENT 18

ABSORPTION OF CURRENCY (ANNUAL) SINCE 1914-15

(Reference paragraphs 23 & 28)

(Lakhs of Rupees)

				Note	Rupees*	Small Coin	Total
1914-15	- 6,01	- 19	- 12,90
1915-16	+ 9,23	+ 38	+ 20,01
1916-17	+ 13,89	+ 99	+ 48,69
1917-18	+ 17,22	+ 1,01	+ 46,09
1918-19	+ 49,28	+ 2,92	+ 97,22
Average for 5 years 1914-15 to 1918-19				..	+ 16,72	+ 1,02	+ 39,82
1919-20	+ 20,20	+ 2,16	+ 42,45
1920-21	- 5,90	- 46	- 32,04
1921-22	+ 9,35	- 4	- 1,15
1922-23	+ 3,87	+ 23	- 5,46
1923-24	+ 7,96	+ 34	+ 15,92
1924-25	- 2,51	+ 49	+ 1,63
1925-26	+ 1,16	+ 23	- 6,78
1926-27	- 3,40	+ 11	- 23,05
1927-28	+ 10,22	+ 40	+ 6,87
1928-29	+ 3,57	+ 44	+ 98
1929-30	- 18,80	+ 14	- 40,37
1930-31	- 11,37	- 65	- 33,60
1931-32	+ 17,24	+ 21	+ 21,38
1932-33	- 14,83	+ 10	- 22,29
1933-34	+ 13,54	+ 65	+ 13,89
1934-35	- 32	+ 48	- 3,05
1935-36	+ 5,26	+ 22	- 3,93
1936-37	+ 25,53	+ 1,01	+ 24,05
1937-38	- 8,23	+ 87	- 13,88
1938-39	+ 2,98	+ 19	- 9,43
1939-40	+ 49,45	+ 2,21	+ 61,74
1940-41	+ 19,11	+ 4,28	+ 56,62
1941-42	+ 152,40	+ 5,06	+ 164,64
1942-43	+ 201,85	+ 11,64	+ 318,42
1943-44	+ 238,91	+ 18,46	+ 282,97
1944-45	+ 202,39	+ 19,20	+ 231,64
1945-46	+ 133,89	+ 9,98	+ 162,22
Average for 7 years 1939-40 to 1945-46				..	+ 151,14	+ 10,12	+ 182,61
1946-47	+ 23,26	+ 5,91	+ 31,11
1947-48	+ 62,33	+ 3,98	+ 53,97
<hr/>							
1948-49	- 7,84	+ 24	- 11,91
1949-50	- 5,84	- 2,16	- 5,71
1950-51	+ 83,89	- 3,20	+ 86,51

Note.—Including Burma notes up to 1942-43. Figures from 1948-49 relate to the Indian Union ; earlier figures relate to undivided India. * Including Government of India one-rupee notes since July 1940.

STATEMENT 19

MONTHLY ABSORPTION OF CURRENCY IN THE INDIAN UNION

(Reference paragraphs 23 & 28)

1949-50				Month	1950-51				(Lakhs of Rupees)
Notes	Rupee Coin*	Small Coin	Total		Notes	Rupee Coin*	Small Coin	Total	
+12,03	- 43	+ 19	+ 11,79	April	..	+ 21,07	+ 63	+ 15	+ 21,85
- 2,51	+ 24	+ 15	- 2,12	May	..	- 2,89	+ 2,02	+ 5	- 82
-24,39	+ 22	- 10	- 24,27	June	..	- 13,17	- 61	- 12	- 13,90
-45,48	- 2,26	- 31	- 48,05	July	..	- 36,16	- 2,21	- 39	- 38,76
-23,60	- 1,69	- 30	- 25,59	August	..	- 22,81	- 88	- 29	- 23,98
- 5,50	- 1,01	- 17	- 6,68	September	..	- 13,97	- 98	- 64	- 15,59
- 6,61	- 71	- 69	- 8,01	October	..	+ 10,22	+ 98	- 36	+ 10,84
+ 2,10	+ 32	- 17	+ 2,25	November	..	+ 7,97	+ 43	- 39	+ 8,01
+31,07	+ 2,05	- 13	+ 32,99	December	..	+ 49,47	+ 1,42	- 34	+ 50,55
+19,67	+ 3,35	- 26	+ 22,76	January	..	+ 27,44	+ 2,49	- 44	+ 29,49
+16,31	+ 2,13	- 5	+ 18,39	February	..	+ 26,52	+ 1,83	- 16	+ 28,19
+21,07	+ 8	- 30	+ 20,85	March	..	+ 30,20	+ 70	- 27	+ 30,63
- 5,84	+ 2,29	- 2,16	- 5,71	Total	..	+ 83,89	+ 5,82	- 3,20	+ 86,51

* Including Government of India one rupee notes.

STATEMENT 20

SEASONAL ABSORPTION AND RETURN OF NOTES AND RUPEE COIN (Reference paragraph 24)

Periods of Absorption	ABSORPTION (+) RETURN (-)			(Lakhs of Rupees)	Periods of Return
	Notes	Rupees	Total		
	- 35,68	- 14,67	- 50,35	..	Feb. 1920 to Aug. 1920
Sept. 1920 to Mar. 1921	.. + 20,15	- 10,26	+ 9,89	..	Apr. 1921 to July 1921
	- 3,48	- 8,47	- 11,95	..	
Aug. 1921 to Dec. 1921	.. + 18,19	+ 71	+ 18,90	..	Jan. 1922 to Aug. 1922
	- 21,60	- 13,91	- 35,51	..	
Sept. 1922 to Dec. 1922	.. + 22,15	+ 1,24	+ 23,39	..	Jan. 1923 to Aug. 1923
	- 21,82	- 8,12	- 29,94	..	
Sept. 1923 to Feb. 1924	.. + 32,15	+ 14,87	+ 47,02	..	Mar. 1924 to July 1924
	- 26,09	- 1,82	- 27,91	..	
Aug. 1924 to Feb. 1925	.. + 21,37	+ 6,41	+ 27,78	..	Mar. 1925 to July 1925
	- 28,00	- 8,69	- 36,69	..	
Aug. 1925 to Dec. 1925	.. + 39,13	+ 1,41	+ 40,54	..	Jan. 1926 to Aug. 1926
	- 35,40	- 16,53	- 51,93	..	
Sept. 1926 to Feb. 1927	.. + 24,05	- 3,24	+ 20,81	..	Mar. 1927 to July 1927
	- 19,86	- 9,11	- 28,97	..	
Aug. 1927 to Dec. 1927	.. + 28,29	+ 1,97	+ 30,26	..	Jan. 1928 to Aug. 1928
	- 16,43	- 4,41	- 20,84	..	
Sept. 1928 to Dec. 1928	.. + 24,13	+ 4,13	+ 28,26	..	Jan. 1929 to Sept. 1929
	- 25,63	- 17,46	- 43,09	..	
Oct. 1929 to Dec. 1929	.. + 12,77	+ 1,95	+ 14,72	..	Jan. 1930 to July 1930
	- 24,45	- 16,00	- 40,45	..	
Aug. 1930 to Dec. 1930	.. + 7,07	- 6,38	+ 69	..	Jan. 1931 to Aug. 1931
	- 18,49	- 18,99	- 37,48	..	
Sept. 1931 to Feb. 1932	.. + 34,69	+ 15,72	+ 50,41	..	Mar. 1932 to July 1932
	- 24,82	- 4,19	- 29,01	..	
Aug. 1932 to Dec. 1932	.. + 12,27	- 37	+ 11,90	..	Jan. 1933 to Aug. 1933
	- 6,88	- 4,82	- 11,70	..	
Sept. 1933 to Feb. 1934	.. + 14,18	+ 2,47	+ 16,65	..	Mar. 1934 to Aug. 1934
	- 8,77	- 4,58	- 13,35	..	
Sept. 1934 to Feb. 1935	.. + 11,37	+ 1,67	+ 13,04	..	Mar. 1935 to Aug. 1935
	- 15,06	- 7,19	- 22,25	..	
Sept. 1935 to Apr. 1936	.. + 16,21	- 2,18	+ 14,03	..	May 1936 to July 1936
	- 10,07	- 7,37	- 17,44	..	
Aug. 1936 to Mar. 1937	.. + 33,73	+ 4,58	+ 38,31	..	Apr. 1937 to Aug. 1937
	- 16,55	- 4,24	- 20,79	..	
Sept. 1937 to Feb. 1938	.. + 8,09	- 2,01	+ 6,08	..	Mar. 1938 to Aug. 1938
	- 14,55	- 10,69	- 25,24	..	
Sept. 1938 to Feb. 1939	.. + 19,87	- 91	+ 18,96	..	Mar. 1939 to Aug. 1939
	- 12,32	- 10,72	- 23,04	..	
Sept. 1939 to June 1940	.. + 68,05	+ 44,02	+ 112,07	..	July 1940 to Sept. 1940
	- 17,76	+ 10,83	- 6,93	..	
Oct. 1940 to June 1941	.. + 47,74	- 3,95	+ 43,79	..	July 1941
	- 3,92	- 1,08	- 5,00	..	
Aug. 1941 to June 1944	.. + 686,69	+ 85,22	+ 771,91	..	July 1944
	- 9,41	- 1,65	- 11,06	..	
Aug. 1944 to June 1945	.. + 215,01	+ 11,10	+ 226,11	..	July 1945
	- 8,24	- 1,37	- 9,61	..	
Aug. 1945 to Dec. 1945	.. + 82,16	- 20	+ 81,96	..	Jan. 1946
	- 11,20	+ 8,70	- 2,50	..	
Feb. 1946 to June 1946	.. + 38,15	+ 12,62	+ 50,77	..	July 1946 to Sept. 1946
	- 49,99	- 3,78	- 53,77	..	
Oct. 1946 to Mar. 1947	.. + 54,18	+ 35	+ 54,53	..	Apr. 1947 to Sept. 1947
	- 68,44	- 9,30	- 77,74	..	
Oct. 1947 to Mar. 1948	.. + 130,77	- 3,04	+ 127,73	..	
Apr. 1948	.. + 15,81	- 1,02	+ 14,79	..	May 1948 to Sept. 1948
	- 70,43	- 4,71	- 75,14	..	
Oct. 1948 to Apr. 1949	.. + 53,81	+ 99	+ 59,80	..	May 1949 to Oct. 1949
	- 108,09	- 5,21	- 113,30	..	
Nov. 1949 to Apr. 1950	.. + 111,29	+ 8,56	+ 119,85	..	May 1950 to Sept. 1950
	- 89,00	- 2,66	- 91,66	..	
Oct. 1950 to Mar. 1951	.. + 151,82	+ 7,85	+ 159,67	..	

Note.—Including Burma notes up to April 1942. Figures from April 1948 relate to the Indian Union ; earlier figures relate to undivided India.

STATEMENT 21

CIRCULATION AND ABSORPTION OF NOTES (ANNUAL) SINCE 1909-10
(Reference paragraph 25)

(Lakhs of Rupees)

	Year-end				Annual Average			
	Total Notes Issued	Notes in Circulation	Absorption (+) or Return (-)	Percentage of Absorption or Return	Total Notes Issued	Notes in Circulation	Increase or decrease in average circulation	Percentage of increase or decrease in average circulation
Average for 5 years 1909-10 to 1913-14	61,17	44,41			58,51	41,97		
1914-15	61,63	43,96	- 6,01	-12	64,04	45,43	- 1,20	- 3
1915-16	67,73	53,19	+ 9,23	+21	64,10	48,08	+ 2,65	+ 6
1916-17	86,37	67,08	+ 13,89	+26	76,14	59,36	+ 11,28	+ 23
1917-18	99,79	84,30	+ 17,22	+26	101,77	71,87	+ 12,51	+ 21
1918-19	153,46	133,58	+ 49,28	+53	133,20	113,84	+ 41,97	+ 58
1919-20	174,52	153,78	+ 20,20	+15	171,68	151,10	+ 37,26	+ 33
1920-21	160,16	147,88	- 5,90	- 4	163,51	138,88	- 12,22	- 8
1921-22	174,76	157,23	+ 9,35	+ 6	173,80	152,22	+ 13,34	+ 10
1922-23	174,70	161,10	+ 3,87	+ 2	176,33	153,27	+ 1,05	+ 1
1923-24	185,85	160,06	+ 7,96	+ 5	179,01	156,93	+ 3,66	+ 2
1924-25	184,19	166,55	- 2,51	- 1	179,27	160,91	+ 3,98	+ 3
1925-26	193,34	167,71	+ 1,16	+ 1	180,88	163,16	+ 2,25	+ 1
1926-27	184,13	164,31	- 3,40	- 2	189,13	156,36	- 6,90	- 4
1927-28	184,87	174,53	+ 10,22	+ 6	180,16	162,62	+ 6,26	+ 4
1928-29	188,03	178,10	+ 3,57	+ 2	184,86	171,90	+ 9,28	+ 6
1929-30	177,23	159,30	- 18,80	-11	183,11	163,00	- 8,90	- 5
1930-31	160,84	147,93	- 11,37	- 7	165,49	151,13	- 11,87	- 7
1931-32	178,14	165,17	+ 17,24	+12	163,64	152,62	+ 1,49	+ 1
1932-33	176,90	150,34	- 14,83	- 9	173,83	152,04	- 58	-
1933-34	177,22	163,88	+ 13,54	+ 9	178,13	157,47	+ 5,43	+ 4
1934-35	186,10	163,56	- 32	-	183,24	161,60	+ 4,13	+ 3
1935-36	195,58	168,82	+ 5,26	+ 3	191,64	164,06	+ 2,46	+ 2
1936-37	208,00	194,35	+ 23,53	+15	201,62	175,81	+ 11,75	+ 7
1937-38	I 206,20	B 178,20	- 8,23	- 4	I 207,79	B 182,19	+ 10,34	+ 6
1938-39	I 196,47	B 178,36	+ 7	-	I 202,66	B 174,39	- 7,80	- 4
1939-40	I 10,76	B 10,74	+ 2,91	+37	I 7,98	B 7,97	+ 4,01	+101
1940-41	I 238,43	B 225,10	+ 46,74	+26	I 216,84	B 198,13	+ 23,74	+ 14
1941-42	I 13,78	B 13,45	+ 2,71	+25	I 11,17	B 11,09	+ 3,12	+ 39
1942-43	I 251,81	B 240,55	+ 15,45	+ 7	I 245,00	B 228,03	+ 29,90	+ 15
1943-44	I 17,44	B 17,11	+ 3,66	+27	I 13,58	B 13,38	+ 2,29	+ 21
1944-45	I 392,71	B 381,73	+ 141,18	+59	I 299,40	B 287,48	+ 59,45	+ 26
1945-46	I 28,35	B 28,33	+ 11,22	+06	I 20,43	B 20,20	+ 6,82	+ 51
1946-47	I 655,11	B 643,58	+ 261,85	+69	I 519,58	B 507,59	+ 220,11	+ 77
1947-48	I 894,84	B 882,49	+ 233,91	+37	I 787,67	B 777,17	+ 269,58	+ 53
1948-49	I 1,094,66	B 1,084,88	+ 202,30	+23	I 979,62	B 968,69	+ 191,52	+ 25
1949-50	I 1,238,41	B 1,218,77	+ 133,89	+12	I 1,179,05	B 1,162,64	+ 193,95	+ 20
1950-51	I 1,258,08	B 1,242,03	+ 23,26	+ 2	I 1,255,57	B 1,222,96	+ 60,32	+ 5
	I 1,319,49	B 1,304,36	+ 62,33	+ 5	I 1,274,95	B 1,227,82	+ 4,86	-
	I* 1,191,11	B 1,169,35	- 7,84†	..	I 1,253,86	B 1,231,84	+ 4,02	..
	I** 1,181,74	B 1,163,52	- 5,84†	..	I 1,152,94	B 1,128,94	- 102,90	..
	I** 1,250,13	B 1,247,41	+ 83,89†	..	I 1,180,40	B 1,163,21	+ 34,27	..

I=India notes.

B=Burma notes.

Note.—Since the Bank assumed the management of the currency, the variations in the figures of notes in circulation as given in the weekly returns of the Issue Department of the Bank are taken to indicate absorption or return. Notes in circulation now include the amounts held in Government Treasuries as well as by the public, but exclude the holdings of the Banking Department of the Reserve Bank.

* The figures are net of adjustments made in respect of (1) Rs. 44.98 crores of India notes withdrawn from circulation in Pakistan during April to June 1948 and (2) Rs. 82.20 crores of India notes returned from circulation in Pakistan.

** During 1948-50 and 1950-51, no adjustments were made in respect of India notes retired from circulation in Pakistan.

† Relates to the Indian Union.

STATEMENT 22

ISSUES OF INDIA NOTES BY DENOMINATIONS SINCE 1913-14*

(Reference paragraph 26)

Year ended (31 March)	TOTAL NOTES ISSUED (Lakhs of Rupees)										Percentage to Gross Circulation of all notes except Rs. 10,000									
	Rc.	Rs.	Rc.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rc.	Rs.	Rc.	Rs.	Rc.	Rs.	Rc.	Rs.	Rc.	Rs.
	1	2	2-8	5	10	20	50	100	500†	1,000†	1	2	2-8	5	10	20	50	100	500	1,000
1914	1,61	17,73	8	1,78	17,81	2,64	9,17	6.4	..	3.2	34.9	..	3.5	35.0	5.2	13.0	..
1921	..	9,52	51	14,05	52,67	3	3,84	47,22	2,53	17,81	6.4	..	4	9.5	35.5	..	2.6	31.9	1.7	12.0
1922	..	9,93	13	16,84	51,51	3	4,05	54,28	2,05	14,68	6.2	..	2	10.0	36.3	..	2.5	34.2	1.3	9.3
1923	..	10,88	17	16,27	56,71	2	3,76	59,43	1,74	14,41	6.7	..	1	10.0	34.7	..	2.3	36.4	1.0	8.8
1924	..	11,39	7	15,90	57,18	2	3,12	69,41	1,62	12,87	6.6	..	..	9.3	33.4	..	1.8	40.5	..	7.5
1925	..	4,15	4	15,83	63,57	2	2,61	63,87	1,32	13,11	2.5	..	..	9.2	40.5	..	1.5	37.7	..	7.7
1926	..	72	2	15,66	76,88	2	2,23	60,22	1,19	13,20	..	..	..	9.2	45.2	..	1.3	35.4	..	7.8
1927	..	44	2	16,49	72,86	2	2,15	60,09	1,10	13,42	..	..	..	9.9	43.7	..	1.3	36.1	..	8.0
1928	..	39	1	18,91	76,27	2	2,09	63,07	1,05	14,90	..	..	..	10.7	43.2	..	1.2	35.7	..	8.4
1929	..	36	1	23,77	74,55	2	2,01	63,78	99	12,69	..	..	..	13.2	41.4	..	1.1	36.5	..	8.7
1930	..	35	1	20,97	69,08	2	1,60	58,88	84	10,78	..	..	..	12.5	42.6	..	1.0	36.3	..	7.1
1931	..	34	1	18,92	64,20	2	1,53	54,86	77	10,76	..	..	..	13.2	41.1	..	..	37.3	..	6.0
1932	..	34	1	22,31	69,55	2	1,51	63,07	79	11,67	..	..	..	13.0	40.3	..	..	37.6	..	6.7
1933	..	33	1	19,95	61,83	2	1,23	57,65	68	11,63	..	..	..	12.9	40.2	..	..	38.8	..	6.7
1934	..	33	1	21,53	67,41	2	1,23	64,90	60	11,31	..	..	..	13.5	39.5	..	..	35.5	..	10.3
1935	..	32	1	23,11	67,83	2	1,26	60,94	56	11,72	..	..	..	..	..	..	..	..	..	..
Year ended (31 December)
1935	..	32	1	25,28	69,31	1	1,84	62,35	53	12,84	..	..	..	15.0	40.3	..	..	36.0	..	7.6
1936	..	33	1	31,71	77,34	1	1,36	69,07	48	12,11	..	..	..	16.5	40.2	..	..	35.9	..	6.2
1937†	..	32	1	32,46	76,09	1	1,25	62,44	45	11,01	..	..	..	17.5	41.5	..	..	34.0	..	6.0
1938†	..	32	1	33,84	77,89	1	1,01	62,81	37	10,51	..	..	..	18.1	41.7	..	..	33.6	..	5.6
1939†	..	32	1	45,63	98,29	1	..	75,37	34	13,79	..	..	..	19.4	41.9	..	..	32.1	..	5.9
1940†	..	32	1	44,03	97,83	1	61	80,44	33	17,64	..	..	..	18.3	40.6	..	..	33.4	..	7.3
1941†	..	32	1	62,23	134,80	1	51	113,13	36	28,20	..	..	..	18.3	39.7	..	..	33.3	..	8.3
1942	..	32	1	106,74	218,21	1	46	202,82	52	54,07	..	..	..	18.3	37.4	..	..	34.8	..	9.3
1943	..	32	5,66	142,48	302,93	1	37	291,54	60	90,90	..	..	..	17.1	36.3	..	..	34.9	..	10.9
1944	..	32	9,73	148,80	363,38	1	30	382,51	32	100,93	..	..	1.0	14.8	30.1	..	..	38.0	..	10.1
1945	..	32	14,45	153,87	425,37	..	25	495,84	26	113,37	..	..	1.2	12.8	35.3	..	..	41.2	..	9.4
1946	..	32	25,42	197,09	545,40	..	19	486,71	..	..	..	..	..	..	..	..	..	..	..	..
1947	..	32	33,09	195,10	557,70	..	16	540,11	..	..	..	..	..	..	..	..	..	..	..	..
1948	..	32	29,21	180,53	523,23	..	12	454,29	..	..	..	..	..	..	..	..	..	..	..	..
1949	..	32	26,62	179,91	486,42	..	10	425,91	..	..	..	..	..	..	..	..	..	..	..	..
1950	..	31	25,15	166,03	483,87	..	8	500,98	..	..	..	..	..	..	..	..	..	..	..	..

* Excluding (1) the Government of India one rupee notes introduced in July 1940, which are treated for the purposes of the Reserve Bank of India Act as rupee coin, and (2) Rs. 10,000 notes (demonetised from 12 January 1946), which were mainly used by banks for making large adjusting payments.
† Demonetised from 12 January 1946. ‡ Including Burma notes. § Net of adjustments made on account of India notes returned from circulation in Pakistan.

STATEMENT 23

ABSORPTION OF SMALL COIN (ANNUAL) SINCE 1909-10

(Reference paragraph 28)

(Thousands of Rupees)

	Half rupees†	Four anna pieces‡	Two anna pieces§	One anna pieces	Half anna pieces*	Single pice**	Half pice	Pie pieces	Total
Average for 5 years 1909-10 to 1913-14		15.75	13.59	21.02		10.51	83	83	62.53
Average for 5 years 1914-15 to 1918-19		37.24	29.54	27.86		5.63	66	1.18	1,02.11
1919-20 ..		88.15	60.33	44.05		21.18	90	1.21	2,15.82
1920-21 ..		— 9.31	— 23.24	— 12.82		— 2.22	42	1.15	— 46.02
1921-22 ..		— 7.09	— 2.40	3.28		52	53	1.11	— 4.05
1922-23 ..		3.67	1.70	12.99		2.89	57	76	22.58
1923-24 ..		6.20	3.99	19.88		2.42	54	75	33.78
1924-25 ..		15.87	4.90	21.86		5.31	65	72	49.31
1925-26 ..		3.34	5.49	11.22		2.23	45	72	23.45
1926-27 ..		51	— 6.10	11.62		4.05	45	86	11.39
1927-28 ..		7.03	4.62	22.02		5.05	54	85	40.11
1928-29 ..		8.89	6.57	22.12		5.04	57	74	43.93
1929-30 ..		— 2.05	— 1.88	10.36		5.77	57	79	13.56
1930-31 ..		— 31.70	— 18.88	— 14.33		— 1.30	58	55	— 65.08
1931-32 ..		7.16	3.73	8.52		16	59	1.29	21.45
1932-33 ..		— 6.11	2.13	10.82		1.48	60	1.02	9.94
1933-34 ..		14.01	16.04	23.27		10.28	74	1.10	65.44
1934-35 ..		1.54	12.93	20.35		11.88	83	76	48.29
1935-36 ..	— 5.59	— 5.58	7.76	13.06		11.31	81	59	22.36
1936-37 ..	22.50	15.97	22.20	25.48		12.92	79	66	1,00.52
1937-38 ..	25.00	10.26	16.08	19.21		14.52	89	85	86.81
1938-39 ..	2.40	— 9.55	3.55	6.34		14.80	84	77	19.15
1939-40 ..	59.67	38.97	48.07	51.25		21.08	97	97	2,20.98
1940-41 ..	1,52.76	1,02.27	71.56	76.14		23.27	1,14	1,06	4,28.20
1941-42 ..	1,56.83	1,26.47	87.91	99.25	4.16	29.31	1,18	1,16	5,06.27
1942-43 ..	3,81.92	2,86.87	2,21.82	2,02.27	56.89	12.69	37	75	11,63.58
1943-44 ..	5,40.61	5,16.98	3,33.70	3,10.98	1,14.33	29.45	8	13	18,46.26
1944-45 ..	5,51.02	5,40.15	3,07.06	3,43.33	1,30.02	48.78	— 2	4	19,20.38
1945-46 ..	2,95.54	2,99.29	1,35.65	1,54.94	61.18	51.16	3	4	9,97.83
1946-47 ..	2,07.92	1,75.80	68.96	61.18	39.22	37.60	—	4	5,90.72
1947-48 ..	1,76.71	1,28.23	28.25	24.51	16.79	24.03	—	3	3,98.55
1948-49 ..	18.94	6.71	— 12.60	— 13.55	9.24	15.45	—	—	24.19
1949-50 ..	— 67.01	— 56.24	— 47.47	— 57.79	1.40	11.52	—	—	— 2,15.59
1950-51 ..	— 1,00.54	— 97.53	— 60.09	— 65.54	— 3.78	7.73	— 7	3	— 3,19.79

Note.—Inclusive of figures for Burma upto January 1942. Figures from 1948-49 relate to the Indian Union ;

† Since the inauguration of the new small coin ; include pure
‡ In May 1946. § Include
half anna pieces introduced in January 1942. ** Include single pice pieces with a circular hole issued from February 1943.

STATEMENT 25

INDICES OF THE CONSOLIDATED POSITION OF SCHEDULED BANKS (Reference paragraph 30)

Average of Friday Figures	Demand Liabilities	Time Liabilities	Total Demand Liabilities	Cash	Balances with Reserve Bank	Excess over the Statutory Minimum	Total Cash and Balances with Reserve Bank	Percent- age of 7 to 3	Advances	Bills Dis- counted	Total Advances and Bills Dis- counted	Percent- age of 11 to 3
UNDIVIDED INDIA (Base: 1938-39=100)												
1939-40	107.1	98.7	103.3	105.5	108.9	113.3	108.0	104.5	109.1	108.0	109.1	105.6
1940-41	125.8	98.0	113.2	124.6	227.3	344.9	197.8	174.9	105.7	80.2	104.7	92.5
1941-42	161.6	100.1	133.6	143.6	227.6	316.0	145.1	108.7	103.6	105.2	103.6	77.6
1942-43	247.4	100.9	180.7	203.3	350.9	503.0	308.6	170.7	83.9	47.4	84.4	46.7
1943-44	368.8	138.2	263.9	322.4	400.7	498.6	378.3	143.4	140.2	121.5	139.5	52.9
1944-45	472.3	187.9	343.0	428.1	562.0	746.7	523.6	152.7	201.4	242.6	203.0	59.2
1945-46	528.7	231.2	492.5	545.5	566.2	682.3	560.2	139.2	256.0	348.9	259.7	64.5
1946-47	586.0	312.8	461.7	644.4	511.6	505.4	549.7	119.1	365.0	463.5	368.9	79.9
1947-48	570.8	332.9	462.6	625.7	634.8	769.0	632.2	136.7	384.0	365.7	383.3	82.9
INDIAN UNION (Base: 1948-49=100)												
1949-50	88.6	89.7	89.0	91.9	85.9	82.9	87.9	93.8	100.4	93.4	100.2	112.6
1950-51	88.8	91.6	89.7	92.5	79.3	68.6	83.6	93.2	103.2	72.2	104.0	115.9
April 1950	88.8	88.1	88.6	91.4	63.7	36.6	72.8	82.1	109.9	87.8	109.0	123.1
May	87.4	89.5	88.1	93.1	66.5	43.6	75.2	85.4	108.7	72.5	107.3	121.9
June	86.7	90.2	87.8	97.8	69.4	50.1	78.7	89.6	105.6	67.6	104.1	118.7
July	88.1	90.0	88.7	91.3	84.8	80.9	86.9	97.9	102.6	67.2	101.3	114.2
August	87.9	90.0	88.5	90.5	84.8	81.2	86.7	97.9	99.3	66.2	98.1	110.8
September	88.4	90.6	89.1	87.0	97.8	107.6	94.3	105.7	96.3	60.8	94.9	106.6
October	89.0	90.5	89.5	91.7	96.6	104.5	95.0	106.2	95.0	58.6	93.7	104.7
November	89.0	91.5	89.8	92.3	98.6	108.7	96.6	107.5	94.2	72.7	93.4	104.0
December	88.8	92.7	90.0	93.4	85.5	81.3	88.1	97.9	97.8	80.2	97.1	107.9
January 1951	90.2	93.9	91.4	93.3	66.3	39.8	75.2	82.3	109.8	79.0	108.6	118.9
February	90.9	96.0	92.5	94.2	65.7	37.5	75.0	81.1	120.2	75.0	118.5	128.1
March	90.8	96.0	92.4	93.1	70.6	48.0	78.0	84.4	122.0	75.5	121.3	131.3

Note.—Excluding figures for Burma.

STATEMENT 26

WEEKLY CONSOLIDATED POSITION OF SCHEDULED BANKS, 1950-51

(Reference paragraph 30)

(Lakhs of Rupees)

1950-51	No. of Reporting Banks	Demand Liabilities*	Time Liabilities*	Total Liabilities*	Inter-bank Borrowings		Net Liabilities	Cash	Balances with Reserve Bank	Excess of 9 over the Statutory Minimum (8+9)	Total Cash & Balances with Reserve Bank (8+9)	Advances & Bills Dis-counted (12+13)	Total Advances & Bills Dis-counted (12+13)			
					Demand	Time										
Friday	1	2	3	4	5	6	7	8	9	10	11	12	13	14		
April	..	94	595,73	265,83	861,56	27,14	92	833,50	32,19	53,12	18,02	85,31	454,85	16,63	471,48	
	7	..	94	597,51	265,81	863,32	27,32	97	835,03	34,46	44,54	9,35	79,01	469,81	14,29	484,10
	14	..	95	600,78	269,34	870,12	26,31	1,00	842,81	35,44	47,65	12,22	83,10	472,17	13,96	486,13
	21	..	95	601,56	270,50	872,06	25,25	1,00	845,81	34,90	49,84	14,35	84,83	470,33	12,84	483,17
May	..	95	593,19	272,24	865,43	24,62	1,79	839,02	35,40	50,83	15,73	86,23	470,57	12,74	483,31	
	5	..	95	587,90	271,67	859,57	22,07	79	836,71	34,63	49,44	14,61	84,07	463,05	11,92	474,97
	12	..	95	587,69	272,15	859,84	19,50	84	839,50	34,52	49,91	15,08	84,43	456,73	11,60	468,33
	19	..	95	589,71	272,09	861,80	17,75	64	843,41	35,13	53,67	18,74	88,79	456,48	11,40	467,88
June	2	..	95	586,05	273,57	859,62	16,08	88	842,66	34,45	52,09	17,32	86,54	456,94	11,36	468,29
	9	..	95	581,72	273,82	855,54	16,02	1,06	838,46	33,96	52,20	17,64	86,16	453,60	11,22	464,82
	16	..	95	581,70	274,18	855,89	13,91	1,21	840,77	34,30	55,43	20,86	89,73	447,81	11,03	458,84
	23	..	94	584,60	274,32	858,92	14,76	1,11	843,05	34,94	54,69	19,97	89,62	442,43	10,92	453,36
30	..	95	588,74	274,65	863,39	13,79	1,19	846,41	45,74	51,42	16,49	97,16	441,44	11,03	452,47	
July	7	..	95	591,52	273,66	865,18	16,61	1,19	847,38	34,12	54,67	19,62	88,79	447,69	11,19	458,87
	14	..	95	589,62	272,88	862,50	16,90	1,24	844,36	34,04	57,82	22,88	91,86	441,47	11,01	452,48
	21	..	95	594,27	273,18	867,45	15,08	1,44	850,93	34,33	73,03	37,85	107,36	428,73	11,01	439,75
	28	..	95	603,02	273,92	876,93	16,62	1,59	858,72	34,50	74,35	38,72	108,85	426,51	10,95	437,46

August	4	..	95	588,47	273,30	861,77	16,50	1,47	843,80	33,86	63,28	28,39	97,15	426,88	10,96	437,84
"	11	..	95	591,75	273,15	864,91	16,07	1,42	847,42	33,31	61,98	26,93	95,29	426,27	10,89	437,17
"	18	..	95	591,51	273,70	865,21	15,22	1,42	848,57	34,86	64,96	29,91	99,82	419,19	10,86	430,05
"	25	..	95	598,52	273,61	873,13	16,76	1,44	854,93	33,73	69,86	34,41	103,59	415,96	10,86	426,82
September	1	..	95	601,83	274,78	876,60	17,25	1,53	857,82	32,33	76,15	40,56	108,48	416,35	10,58	426,93
"	8	..	95	591,61	276,53	868,14	15,69	1,55	850,90	32,44	74,74	39,63	107,18	411,63	10,58	422,16
"	15	..	95	592,79	275,90	868,69	16,35	1,34	851,00	32,49	73,11	37,95	105,61	408,22	10,13	418,35
"	22	..	95	594,27	274,28	868,55	16,84	1,24	851,47	32,79	73,32	38,12	106,11	404,71	9,72	414,43
"	29	..	95	600,83	274,57	875,40	17,64	1,24	856,52	33,17	77,34	41,81	110,51	403,96	9,01	412,97
October	6	..	95	598,83	274,71	873,55	17,15	1,22	855,18	33,10	81,84	46,40	114,94	405,32	9,19	414,50
"	13	..	95	597,45	274,77	872,21	17,25	1,21	853,75	33,22	80,87	34,50	103,10	403,49	9,55	413,04
"	20	..	95	599,98	275,40	875,37	20,15	1,40	853,82	33,32	70,26	34,75	104,08	406,24	9,62	415,86
"	27	..	95	606,12	274,63	880,76	18,27	1,49	861,00	37,51	74,09	38,29	111,60	399,84	10,16	409,99
November	3	..	95	600,47	276,92	877,39	19,01	1,55	856,23	34,86	80,80	45,24	115,46	402,06	10,78	412,84
"	10	..	96	595,42	278,03	873,45	21,90	1,55	850,00	31,96	66,54	31,21	98,50	408,28	11,33	419,61
"	17	..	96	602,17	277,93	880,09	17,92	1,55	860,63	36,79	73,65	37,98	110,44	397,37	12,79	410,16
"	24	..	96	602,87	279,10	881,97	14,76	1,55	865,66	35,12	81,35	45,62	116,47	392,41	12,91	405,32
December	1	..	96	601,96	280,54	882,50	16,12	1,54	864,84	33,88	78,78	43,07	112,67	397,80	13,08	410,89
"	8	..	96	597,31	280,27	877,58	17,46	1,59	858,53	32,79	74,80	39,33	107,60	404,57	13,30	417,87
"	15	..	96	601,77	279,95	881,72	20,65	1,59	859,48	33,81	64,76	29,07	98,57	415,32	13,42	428,74
"	22	..	93	595,93	282,84	878,77	22,22	1,66	854,89	33,94	55,32	19,87	89,26	427,43	13,21	440,64
"	29	..	94	597,94	284,28	882,22	18,13	1,31	862,78	40,76	53,83	18,25	94,59	432,27	12,88	445,15
January	5	..	94	608,98	285,32	894,30	23,71	51	870,08	36,09	56,34	20,18	92,43	453,15	13,12	466,27
"	12	..	94	599,89	285,51	885,40	24,64	14	860,42	34,20	48,07	12,37	82,27	461,49	13,04	474,53
"	19	..	94	613,27	284,78	898,05	26,76	14	871,15	35,01	50,94	14,58	85,95	469,99	13,14	483,13
"	26	..	94	611,87	285,77	897,63	23,52	14	868,98	34,62	47,87	11,56	82,49	480,70	12,64	493,33
February	2	..	94	616,30	288,83	905,13	29,32	14	875,17	34,62	47,95	11,36	82,57	502,53	12,76	515,30
"	9	..	94	613,25	290,44	903,69	32,02	14	871,53	34,53	46,06	9,59	80,59	515,37	12,03	527,40
"	16	..	94	609,57	293,53	903,10	27,94	14	875,02	36,16	51,26	14,91	87,42	512,69	12,13	524,82
"	23	..	94	614,45	293,90	908,35	27,67	14	880,54	36,00	56,00	19,40	92,00	511,64	12,38	524,02
March	2	..	94	613,82	294,08	907,90	27,26	14	880,50	34,98	55,19	18,62	90,07	509,21	12,71	521,92
"	9	..	94	610,53	293,70	904,23	29,71	8	874,44	34,72	49,06	12,66	83,79	522,94	12,78	535,72
"	16	..	94	608,09	290,88	898,97	29,68	8	869,21	36,35	56,59	19,37	90,93	520,16	13,27	539,16
"	23	..	93	612,51	289,93	907,44	28,80	8	873,56	34,64	52,45	16,03	87,09	525,83	13,33	539,16
"	30	..	93	616,26	289,95	906,21	23,66	8	882,47	34,94	55,35	21,74	93,29	533,61	13,26	546,87

* Include inter-bank borrowings.

STATEMENT 27

CONSOLIDATED POSITION OF SCHEDULED BANKS SINCE 1937-38 (Reference paragraph 30)

(Lakhs of Rupees)

Average of Friday Figures	No. of Reporting Banks at the end of the period	Demand Liabilities (a)	Percentage of (b) to (f)	Time Liabilities (c)	Savings Deposits (d)	Total Demand and Time Liabilities (e)	Cash (f)	Balances with Reserve Bank (g)	Excess of Cash and Balances over the Statutory Minimum (h)	Total Cash and Balances with Reserve Bank (i)	Percentage of (j) to (f)	Advances (k)	Bills Discounted (l)	Total Advances and Bills Discounted (m)	Percentage of (n) to (f)
1937-38	..	126,86	55.0	103,99	—	230,85	6,37	24,57	15,78	30,94	13.40	108,15	6,00	114,15	49.45
1938-39	..	123,81	54.5	103,30	—	227,11	6,38	15,88	7,62	22,26	9.80	111,34	4,60	115,94	51.05
1939-40	..	132,84	56.5	101,95	38,86	234,59	6,73	17,30	8,63	24,93	10.24	121,47	4,97	126,44	53.90
1940-41	..	153,79	60.6	101,19	37,58	256,98	7,95	36,99	26,28	44,04	17.14	117,70	3,69	121,39	47.24
1941-42	..	200,13	65.9	103,37	37,24	303,50	9,16	36,15	24,08	32,31	10.65	115,32	4,84	120,16	39.59
1942-43	..	308,28	74.6	104,21	48,30	410,49	12,97	55,73	38,33	68,70	16.73	95,68	2,18	97,86	23.83
1943-44	..	456,63	76.2	142,78	69,03	599,41	20,57	63,63	37,99	84,20	14.05	156,14	5,69	161,73	26.93
1944-45	..	584,80	75.1	194,12	90,58	778,92	27,31	89,25	56,90	116,56	14.96	224,22	11,16	235,38	30.23
1945-46	..	654,53	71.6	259,52	121,56	914,05	34,80	89,91	51,99	124,71	13.64	285,07	16,05	301,12	32.94
1946-47	..	725,54	69.2	323,11	133,04	1,048,65	41,11	81,25	38,51	122,36	11.67	406,39	21,32	427,71	40.79
1947-48	..	706,65	67.3	343,89	149,71	1,050,54	39,92	100,81	58,60	140,73	13.40	427,54	16,82	444,36	42.30

UNDIVIDED INDIA

INDIAN UNION

1948-49	..	674,56	68.9	303,88	140,39	978,44	37,51	76,63	36,82	114,14	11.67	424,85	16,44	441,29	45.10
1949-50	..	597,79	68.7	272,59	133,95	870,38	34,47	65,85	30,51	100,32	11.53	426,74	15,35	442,09	50.79
1950-51	..	599,13	68.3	278,45	137,85	877,50	34,68	60,78	25,25	95,46	10.88	447,03	11,87	458,90	52.29
April 1949	96	624,43	68.50	287,14	140,81	911,57	35,34	52,37	15,41	87,71	9.62	486,40	18,70	505,10	55.41
May "	93	605,22	68.16	282,68	137,05	887,90	35,97	57,87	21,96	93,84	10.57	482,49	17,11	499,60	56.27
June "	94	595,04	67.90	281,30	137,01	876,35	36,49	64,79	29,41	101,28	11.56	458,46	15,56	474,02	54.09
July "	94	593,31	68.24	278,14	137,53	869,45	36,64	74,37	39,18	111,01	12.77	429,42	14,51	443,93	51.06
August "	94	599,57	68.95	269,96	137,69	869,54	33,54	88,85	53,47	122,39	14.07	408,44	14,64	423,08	48.66

September 1949	94	598.04 (27.78)	69-02	268.43 (11)	137.00	866.47 (27.89)	32.91	74.60	39.33	107.51	12-41	408.65	12.60	416.25	49-04
October	94	599.91 (24.00)	69-36	264.96 (6)	136.46	864.86 (24.06)	33.35	63.84	28.55	97.19	11-24	401.59	12.71	414.30	47-90
November	94	594.76 (19.08)	68-93	268.09 (49)	135.91	862.85 (19.57)	33.91	75.28	40.18	109.19	12-65	385.30	14.20	399.50	46-30
December	94	585.69 (20.69)	68-53	268.97 (11)	135.94	854.66 (21.81)	33.44	73.54	38.88	106.98	12-52	389.97	14.79	404.76	47-36
January 1950	94	588.88 (23.17)	68-71	268.21 (66)	134.58	857.08 (23.83)	33.60	61.26	26.45	94.86	11-07	409.97	15.86	425.83	49-68
February	94	596.17 (27.02)	68-90	269.15 (1.33)	133.82	865.32 (28.35)	35.12	53.32	18.13	88.44	10-22	425.51	16.58	442.09	51-09
March	94	591.48 (26.45)	69-03	265.32 (1.26)	133.95	856.81 (27.71)	33.52	50.98	16.10	84.50	9-86	436.66	16.73	453.39	52-92
April	95	598.90 (26.50)	69-10	267.87 (97)	136.48	866.77 (27.48)	34.27	48.79	13.49	83.06	9-53	466.79	14.43	481.22	55-52
May	95	589.62 (20.99)	68-43	272.04 (1.02)	137.20	861.66 (22.00)	34.92	50.96	16.04	85.88	9-97	461.71	11.92	473.63	54-97
June	95	584.56 (14.91)	68-08	274.11 (1.09)	138.74	858.67 (16.00)	36.68	53.16	18.45	89.84	10-46	448.44	11.11	459.55	53-52
July	95	594.61 (16.30)	68-50	273.41 (1.37)	139.05	868.01 (17.07)	34.25	64.97	29.77	99.22	11-43	436.10	11.04	447.14	51-51
August	95	592.81 (16.14)	68-43	273.44 (1.44)	139.44	866.25 (17.57)	33.94	65.02	29.91	98.96	11-42	422.08	10.89	432.97	49-98
September	95	596.26 (16.55)	68-42	275.21 (1.38)	139.12	871.48 (17.93)	32.65	74.93	39.61	107.58	12-34	408.97	9.99	418.96	48-08
October	95	600.60 (18.21)	68-60	274.88 (1.33)	138.44	875.47 (19.54)	34.41	74.01	38.48	108.42	12-30	403.72	9.63	413.35	47-21
November	96	600.23 (18.55)	68-35	277.99 (1.55)	138.19	878.23 (20.10)	34.63	75.58	40.01	110.21	12-55	400.03	11.95	411.98	46-91
December	94	598.98 (18.92)	68-02	281.58 (1.54)	138.63	880.56 (20.46)	35.04	65.50	29.92	100.54	11-42	415.48	13.18	428.66	48-68
January 1951	94	608.50 (25.91)	68-08	285.35 (23)	138.48	893.85 (26.14)	34.98	50.81	14.68	85.79	9-60	466.33	12.98	479.31	53-62
February	94	613.39 (29.36)	67-77	291.68 (14)	138.97	905.07 (29.51)	35.33	50.32	13.82	85.65	9-46	510.56	12.33	522.89	57-77
March	93	612.24 (27.82)	67-73	291.71 (9)	137.85	903.95 (27.91)	34.91	54.13	17.68	89.04	9-35	522.35	13.07	535.42	59-23

Note.—Data are exclusive of Burma. Figures in brackets relate to inter-bank borrowings. † Annual figures for savings deposits are as on the last Friday of March and monthly figures as on the last Friday of the month. For the purpose of Section 42 of the Reserve Bank of India Act, savings deposits are classified under demand or time liabilities according to the rules of the various scheduled banks in respect of withdrawal of these deposits. ‡ For nine months ending March 1949.

STATEMENT 28

SEASONAL EXPANSION OR CONTRACTION IN SELECTED ITEMS OF SCHEDULED BANKS' LIABILITIES AND ASSETS

(Reference paragraph 30)

Period	Demand Liabilities	Time Liabilities	Total of 1 and 2	Cash	Balances with Reserve Bank	Total of 4 and 5	Cash ratio* at the end of period	Advances	Bills Discounted	Total of 8 and 9	Advances ratio† at the end of period
	1	2	3	4	5	6	7	8	9	10	11
INDIA AND BURMA											
4 July 1935 to 22 November 1935	+17.09	- 27	+ 16.82	+ 49	+ 8.62	+ 9.11	16.06	- 22.71	- 62	- 23.33	37.05
22 November 1935 to 10 April 1936	- 7.60	+ 3.65	- 3.95	- 55	+ 4.37	+ 3.82	18.05	+ 18.24	+ 2.98	+ 21.22	47.34
10 April 1936 to 28 August 1936	+ 9.11	- 10	+ 9.01	+ 53	- 1.29	- 76	17.04	- 12.61	- 3.52	- 16.13	38.45
28 August 1936 to 16 April 1937	+ 9.73	+ 4.66	+ 14.39	+ 13	- 8.31	- 8.18	12.08	+ 38.57	+ 5.90	+ 44.47	54.42
16 April 1937 to 17 December 1937	- 5.15	+ 3.56	- 1.59	+ 1.50	+ 56	+ 2.06	13.61	- 21.06	- 2.29	- 23.35	45.14
17 December 1937 to 15 April 1938	- 6.24	+ 26	- 5.08	- 1.35	- 13.48	- 14.83	7.68	+ 22.26	+ 1.02	+ 23.28	56.13
15 April 1938 to 18 November 1938	+ 7.53	- 3.19	+ 4.34	+ 1.43	+ 4.90	+ 6.33	10.17	- 23.74	- 3.53	- 27.27	43.79
18 November 1938 to 31 March 1939	- 3.61	+ 1.01	- 2.60	- 1.51	- 6.01	- 7.52	7.12	+ 26.21	+ 4.33	+ 30.54	57.10
31 March 1939 to 25 August 1939	+11.91	- 43	+ 11.48	+ 1.07	+ 15.77	+ 16.84	13.54	- 22.74	- 3.88	- 26.62	43.80
25 August 1939 to 29 March 1940	+ 7.80	+ 2.01	+ 9.81	+ 4	- 9.44	- 9.40	9.41	+ 51.19	+ 2.65	+ 53.84	62.91
29 March 1940 to 22 November 1940	+24.62	- 8.18	+ 16.44	+ 1.45	+ 32.09	+ 33.54	20.75	- 57.87	- 4.58	- 62.45	36.47
22 November 1940 to 9 May 1941	+ 9.68	+ 5.75	+ 15.43	+ 42	- 24.46	- 24.04	11.64	+ 34.23	+ 4.54	+ 38.77	47.89
9 May 1941 to 14 November 1941	+47.83	+ 5.65	+ 53.48	+ 1.30	+ 22.29	+ 23.59	16.68	- 25.62	- 2.31	- 27.93	32.35
14 November 1941 to 2 January 1942	- 86	- 73	- 1.59	+ 1.96	- 15.65	- 13.69	12.77	+ 17.47	+ 2.02	+ 19.49	38.18

UNDIVIDED INDIA

2 January 1942 to 25 September 1942	+ 94.14	- 6.73	+ 87.41	+ 80	+ 32.63	+ 33.43	18.43	- 43.39	- 4.67	- 43.06	19.13
25 September 1942 to 8 July 1943	+ 109.57	+ 32.98	+ 142.55	+ 6.88	- 11.05	- 4.37	12.93	+ 68.25	+ 2.95	+ 71.20	27.02
9 July 1943 to 23 July 1943	+ 7.62	+ 1.01	+ 8.63	- 1.54	+ 11.51	+ 9.97	14.49	- 5.47	- 53	- 6.00	25.55
23 July 1943 to 31 March 1944	+ 93.00	+ 34.41	+ 127.41	+ 7.04	- 16.08	- 9.04	10.52	+ 81.04	+ 6.57	+ 87.61	33.49
31 March 1944 to 27 October 1944	+ 79.33	+ 27.55	+ 106.88	+ 3.00	+ 55.89	+ 58.89	16.48	- 23.69	- 27	- 25.96	25.77
27 October 1944 to 20 July 1945	+ 20.14	+ 45.75	+ 65.89	+ 4.96	- 36.23	- 31.27	11.61	+ 90.12	+ 4.62	+ 94.74	34.75
20 July 1945 to 28 September 1945	+ 20.97	+ 14.69	+ 35.66	+ 1.32	+ 43.04	+ 44.36	16.08	- 39.26	- 1.98	- 41.24	28.80
28 September 1945 to 10 May 1946	+ 62.59	+ 50.54	+ 113.13	+ 3.40	- 29.33	- 25.93	11.73	+ 131.35	+ 7.58	+ 138.93	39.28
10 May 1946 to 5 July 1946	+ 10.51	+ 5.95	+ 16.46	+ 7.17	+ 27.51	+ 34.68	14.90	- 24.73	- 49	- 24.62	36.27
5 July 1946 to 7 February 1947	+ 2.77	+ 30.30	+ 33.07	- 4.55	- 44.99	- 49.54	9.79	+ 117.94	+ 4.39	+ 122.33	46.64
7 February 1947 to 10 October 1947	- 19.46	- 2.50	- 21.96	- 71	+ 50.27	+ 49.56	14.75	- 73.07	- 10.21	- 83.28	39.35
10 October 1947 to 16 April 1948	+ 74.37	- 7.56	+ 66.81	+ 1.54	- 31.89	- 30.35	11.12	+ 82.93	+ 4.27	+ 87.20	45.78

INDIAN UNION

16 April 1948 to 24 September 1948	- 4.12	- 9.14	- 13.26	+ 1.33	+ 19.92	+ 20.85	13.19	- 53.58	- 4.28	- 57.86	40.57
24 September 1948 to 6 May 1949	- 66.61	- 19.96	- 86.57	- 2.60	- 41.19	- 43.79	9.62	+ 107.22	+ 4.32	+ 111.54	56.76
6 May 1949 to 25 November 1949	- 27.71	- 15.95	- 43.66	- 1.49	+ 28.30	+ 27.31	13.27	- 116.14	- 3.00	- 119.14	45.81
25 November 1949 to 21 April 1950	+ 7.13	+ 20	+ 7.33	+ 1.58	- 32.98	- 31.39	9.55	+ 91.50	- 63	+ 90.87	55.87
21 April 1950 to 24 November 1950	+ 2.09	+ 9.76	+ 11.85	- 32	+ 33.70	+ 33.37	13.21	- 79.76	- 1.05	- 80.81	45.96
24 November 1950 to 30 March 1951	+ 13.39	+ 10.85	+ 24.24	- 18	- 23.00	- 23.18	10.29	+ 141.20	+ 35	+ 141.55	60.35

Note.—Slack season periods have been indicated in italics. * Percentage of Cash and Balances with the Reserve Bank of India to Total Liabilities.
† Percentage of Advances and Bills Discounted to Total Liabilities.

STATE
MONEY RATES IN
(Reference
Bazaar Bill

	Bank Rate*	Imperial Bank of India Hundi Rate†		Call Money Rate						Bazaar Bill	
		Highest	Lowest	Calcutta		Bombay		Calcutta		Highest	Lowest
				Highest	Lowest	Highest	Lowest	Highest	Lowest		
1935-36 ..	3 (3½ upto Nov.)	3½ Apr.-Nov.	3 Dec.-Mar.	1 Apr.-July	½ Feb.-Mar.	3½ April	½ Sept.-Mar.	8 Apr.-June	5 Aug.-Nov. & Jan.-Mar.		
1936-37 ..	3		3	½ Apr.-June	½ July-Mar.	1½ Jan.	½ Sept.-Nov.	6	5		
1937-38 ..	3		3	½ Apr.-July, Feb.-Mar.	½ Aug.-Jan.	1½ April	½ Aug.-Dec.	8 Nov.-Mar.	5 Apr.-Sept.		
1938-39 ..	3		3	2½ Jan.-Feb.	½ July	2½ Jan.-Feb.	½ July, Sept. and Nov.	8 Apr.-June	6 July-Mar.		
1939-40 ..	3	3½ Nov.-Mar.	3 Apr.-Oct.	2 Apr.-May	½ Aug.-Sept.	2½ April	½ Aug.-Sept.	7	6		
1940-41 ..	3	3½ Apr.-Jan.	3 Feb.-Mar.	½ April & June	½ May & July-Mar.	1½ April	½ Aug.-Mar.	7	6		
1941-42 ..	3		3		½	½ April & Jan.	½ May-Dec., Feb.-Mar.	7	6		
1942-43 ..	3		3		½		½	7	6		
1943-44 ..	3		3		½		½	7	6		
1944-45 ..	3		3		½	½ April	½ May-Mar.	7	6		
1945-46 ..	3		3		½	1 March	½ Apr.-Mar.	7	6		
1946-47 ..	3		3		½	½ Aug.-Nov.	½ July-Aug.	10 Dec.-Mar.	6 Apr.-Nov.		
1947-48 ..	3		3		½		½	10	9		
						Larger Banks‡		Smaller Banks			
						H. L.	H. L.				
1948-49 ..	3	3½ Jan.-Mar.	3 Apr.-Jan.	½ Jan.	½ Apr.-Dec. Feb.-Mar.	1 Jan.- Mar.	½ Apr.- Dec.	1½ Jan. Feb. Mar.	1	15 Feb.- Mar.	9 Apr.- Feb.
1949-50 ..	3		3½		½	1½ Apr.- May	½ June- Mar.	½ Apr.- May	½ June- Oct.	12 to 15 Apr.-Aug.	10 to 12 Aug.-Mar.
1950-51 ..	3	4 Jan.-Mar.	3½ Apr.-Jan.		½	1½ Jan.- Mar.	½ June- Jan.	1½ Feb.- Mar.	1 June- Dec.	10 to 12	
1st of											
April ..	3		3½		½	1	½	1½		10 to 12	
May ..	3		3½		½		1	1½		10 to 12	
June ..	3		3½		½	½	½	1		10 to 12	
July ..	3		3½		½			1½	1	10 to 12	
August ..	3		3½		½			1		10 to 12	
September	3		3½		½			1½	1	10 to 12	
October ..	3		3½		½			1½	1	10 to 12	
November	3		3½		½			1½	1	10 to 12	
December	3		3½		½			1½	1	10 to 12	
January ..	3		3½		½			1½		10 to 12	
February ..	3		4		½	1½	1	1½	1½	10 to 12	
March ..	3		4		½	1½	1	1½		10 to 12	

*The standard rate at which the Reserve Bank of India is prepared to buy or rediscount bills of exchange or other discounts first class three months commercial bills. † Rates at which bills of small traders are reported to have been §Include Exchange Banks.

MENT 29

INDIA SINCE 1935-36

paragraph 30)

Rate †		Treasury Bill Rate (Average per annum) 1-21	Deposit Rates ‡‡					
Bombay			3 months		6 months †††		12 months	
Highest 6½	Lowest 3		Highest	Lowest	Highest	Lowest	Highest	Lowest
Apr.-July	October							
Apr.-May, Jan.-Mar.	3½ July-Dec.	0-78						
	5½	0-97						
5½	3	1-63	2½	½	2½	1½	2	1½
Apr. & Feb.	October		January	Aug.-Sept.	Dec.-Jan.	Aug.-Sept.	Dec.-Jan.	Aug.-Sept.
6½	5½	1-87	2½	1	2½	1	2	1½
Jan.-Mar.	Apr.-Aug., Oct.-Nov.		Sept.-Feb.	June	September	June-July	Sept. & Dec.-Mar.	November
6½	5½	0-89	2½	½	2½	1½	2	1½
Jan.-Mar.	Apr.-Aug., Oct.-Nov.		April	Sept.-Mar.	April	Aug.-Mar.	April	May-Mar.
6½	4½	0-72	1½	½	1½	1	2	1½
Jan.-Mar.	Aug.-Oct.		Feb.-Mar.	September.	Feb.-Mar.	Aug.-Sept.	March	January
6½	5	0-87	1½	½	1½	½	2	1½
April	Aug.-Oct.		Apr.-May	Sept.-Oct.	Apr.-May	Sept.-Oct., Dec.-Jan.	Apr.-May	June-Mar.
6	4½	0-90	1	½	1½	1	1½	1½
April	May-Oct.		Apr.-June, Dec.-Jan.	July-Nov., Feb.-Mar.	Apr.-June	July-Mar.		
5½	4½	0-49	½	½	1½	½	1½	1
Apr.-July, Nov.-Mar.	Aug.-Oct.		Apr.-May, Oct.-Mar.	June-Sept.	April	May-Sept.	Oct.-Dec.	Feb. & Mar.
	5½	0-40	1	½	1½	½	1½	1½
			Jan.-Mar.	June-Dec.	Jan.-Mar.	June-Aug.	Jan.-Mar.	Apr.-Dec.
7½	5½	0-42	1½	½	1½	½	1½	1½
Jan.-Mar.	Apr.-Oct.		Feb.-Mar.	Aug.-Sept.	Jan.-Mar.	July-Nov., March		Apr.-June
	7½	0-45	1½	½	1½	½	2	1½
			Feb.-Mar.	Aug.-Feb.	May-Aug., Feb.-Mar.	Aug.-Nov.	Feb.-Mar.	Apr.-Feb.
8½	7½	0-49	1½	1	1½	1½	2	1½
Jan.-Mar.	Apr.-Jan.		January		Jan.-Mar.	Apr.-Dec.		
8½	7½	0-51	1½	1	1½	1½	2	1½
Feb.-Mar.	Apr.-Feb.		Jan.-Mar.	April & June-Sept.		Apr.-Jan.		
9	8½	—	2½	1	2½	1½	2	1½
Jan.-Mar.	Apr.-Jan.		Jan.-Mar.	June-Nov.	Jan.-Mar.	July-Nov.	Apr.-May Feb. & Mar.	June-Jan.
8½		—	1½	1½		1½	2	1½
8½		—	1½	1½		1½	2	1½
8½		—	1½	1½		1½	1½	1½
8½		—	1½	1	1½	1½	1½	1½
8½		—	1½	1	1½	1½	1½	1½
8½		—	1½	1	1½	1½	1½	1½
8½		—	1½	1	1½	1½	1½	1½
8½		—	1½	1	1½	1½	1½	1½
8½		—	1½	1½	1½	1½	1½	1½
8½		—	1½	1½	1½	1½	1½	1½
9		—	2	2	2	2	2	2
9		—	2½	2	2	1½	2	1½

commercial paper eligible for purchase under the Reserve Bank of India Act. †The rate at which the Imperial Bank discounted by shroffs. These are unofficial quotations. ‡‡Quoted by the larger banks in Bombay.

STATEMENT 30

CHEQUE CLEARANCES (ANNUAL) SINCE 1918-19

(Reference paragraph 30)

(Lakhs of Rupees)

	Bombay	Calcutta	Delhi	Kanpur	Karachi	Lahore	Madras	Other Centres†	Total
1918-19	.. 569,46	741,13			22,30		25,45		1,358,34
1919-20	.. 883,02	1,055,76			23,13		33,95		1,995,86
1920-21	.. 1,315,93	1,439, 3		6,63	33,42		75,79		2,871,70
1921-22	.. 906,73	905,01		9,01	36,73	5,86	39,54		1,902,88
1922-23	.. 858,73	980,26		7,93	33,58	8,49	45,13		1,934,12
1923-24	.. 707,98	853,05		6,38	41,52	5,85	55,41		1,670,19
1924-25	.. 621,66	954,11		5,72	46,13	5,57	55,96		1,689,15
1925-26	.. 445,05	1,012,19		6,16	36,14	6,86	56,80		1,563,20
1926-27	.. 422,68	961,01		8,16	31,07	7,70	54,53		1,485,15
1927-28	.. 389,80	1,054,02		7,00	30,82	7,59	59,79		1,549,02
1928-29	.. 652,35	1,094,00		7,31	28,02	8,69	65,73		1,856,10
1929-30	.. 793,06	960,97		7,56	26,49	8,17	82,19		1,879,04
1930-31	.. 666,61	866,28		5,71	24,47	10,67	50,36		1,624,10
1931-32	.. 623,82	731,09		5,63	23,23	9,02	43,97		1,436,76
1932-33	.. 667,42	790,37		7,08	25,56	8,50	48,85		1,547,78
1933-34	.. 655,47	830,88		8,88	26,78	9,88	53,19		1,585,08
1934-35	.. 689,17	875,69		11,51	28,96	10,43	56,22		1,671,98
1935-36	.. 716,74	918,68	13,73	11,69	30,12	11,16	69,23		1,771,35
1936-37	.. 762,38	923,68	15,61	11,51	31,94	11,40	91,39		1,847,91
1937-38	.. 815,56	966,93	18,27	11,91	35,53	11,21	109,64		1,969,05
1938-39	.. 786,22	934,65	18,58	11,76	32,66	10,36	98,91	28,31	1,921,45
1939-40	.. 883,97	1,154,03	20,35	14,22	37,53	11,14	99,94	31,73	2,252,91
1940-41	.. 802,32	1,008,53	28,53	19,20	46,76	16,33	108,65	42,28	2,072,60
1941-42	.. 1,048,60	1,233,61	41,35	29,59	58,80	26,71	136,41	91,27	2,666,34
1942-43	.. 1,345,23	1,074,66	81,94	56,21	77,51	48,76	131,40	163,38	2,979,09
1943-44	.. 1,966,69	1,718,61	119,16	101,06	101,36	77,80	196,80	297,74	4,579,22
1944-45	.. 2,236,97	2,351,59	129,94	112,95	124,54	96,94	227,37	347,50	5,626,80
1945-46	.. 2,487,60	2,826,21	146,02	113,47	145,49	103,39	298,23	451,96	6,572,37
1946-47	.. 2,859,08	2,842,25	156,37	142,66	201,82	136,92	378,00	504,28	7,221,38
1947-48	.. 2,452,64	2,599,96	126,46	109,83	274,81	49,54	347,94	518,96	6,480,14
1948-49	.. 2,738,53	2,655,26	148,68	140,46	*	*	402,02	601,59	6,686,54
1949-50	.. 2,599,80	2,356,18	140,30	128,56			374,64	598,44	6,197,92
1950-51	.. 2,877,54	2,386,37	149,73	136,18			432,13	595,64	6,577,59

† Ahmedabad, Amritsar, Coimbatore, Kozhikode, Lucknow, Mangalore, Mathurai, Simla, Nagpur and Rawalpindi (from April 1941 to October 1947); Patna (from April 1943); Allahabad (from October 1943); Lyallpur (from September 1944 to September 1947); Bangalore (from October 1944); Jullundur City (from February 1945); Agra (from May 1945); Dehra Dun (from February 1946); Alleppey (from November 1946); Rajkot (from January 1947); Gaya (from March 1947); Poona and New Delhi (from August 1947); Muzaffarpur (from November 1950). * Rs. 71,04 lakhs and Rs. 10,97 lakhs for the Karachi and Lahore Centres, respectively, during the quarter ended June 1948.

STATEMENT 31

CHEQUE CLEARANCES (MONTHLY) IN THE INDIAN UNION, 1950-51

(Reference paragraph 30)

(Rupees in Lakhs)

CENTRE	1950-51												Total
	April	May	June	July	August	Septem-ber	October	Novem-ber	Decem-ber	January	February	March	
BOMBAY—													
Number	8,18,762	8,38,645	7,78,126	7,92,868	8,20,752	7,10,890	7,73,631	7,59,301	7,88,283	9,74,780	8,24,162	8,32,537	97,12,727
Amount	233.44	244.40	222.40	210.31	238.47	190.29	188.87	213.78	240.93	313.50	283.28	297.87	2,877.54
CALCUTTA—													
Number	4,85,456	5,43,100	5,01,033	5,09,303	5,58,145	5,20,492	4,76,193	5,49,086	5,49,282	6,37,632	5,67,834	5,90,559	64,87,115
Amount	168.77	177.50	173.33	176.33	201.83	193.94	182.97	211.98	210.05	238.03	209.55	242.06	2,386.37
DELHI—													
Number	92,645	1,05,793	94,947	97,657	1,01,306	1,00,115	1,00,356	1,01,593	1,01,638	1,20,365	1,14,584	1,08,917	12,39,916
Amount	11.90	12.36	11.25	11.48	11.92	11.23	11.31	11.64	12.58	15.71	14.32	14.13	149.73
KANPUR—													
Number	61,627	62,913	57,030	49,926	51,289	44,690	48,975	49,879	52,849	57,364	50,621	50,540	6,37,703
Amount	13.36	13.42	11.62	10.00	10.84	9.84	10.86	9.86	11.43	11.70	11.34	11.91	136.18
MADRAS—													
Number	2,37,851	2,63,400	2,60,626	2,75,983	2,78,975	2,54,275	2,52,783	2,64,662	2,42,623	2,90,881	2,66,462	2,80,409	31,69,230
Amount	28.78	31.42	30.48	33.31	35.83	33.56	34.46	34.82	36.32	43.19	40.37	49.59	432.13
OTHER CENTRES*													
Number	3,99,666	4,14,090	3,88,933	4,00,419	4,05,333	3,59,475	3,80,661	3,89,330	3,83,416	4,46,875	3,94,209	4,06,786	47,68,693
Amount	53.08	57.37	50.82	51.64	56.66	45.31	47.49	37.46	47.26	58.91	51.53	39.11	595.64

Total—
Number 20,95,997 22,27,941 20,80,695 21,26,156 22,15,800 19,98,937 20,32,019 21,13,851 21,18,471 25,27,897 22,07,872 22,69,748 2,60,15,384
Amount 509.33 536.47 499.90 493.07 554.55 484.17 475.96 519.44 558.60 681.04 610.39 654.67 6,577.59

* Agra, Ahmedabad, Allahabad, Alleppey, Amritsar, Bangalore City, Coimbatore, Dehra Dun, Gaya, Jullundur City, Kozhikode, Lucknow, Mangalore, Mathurai, Nagpur, New Delhi, Patna, Poona, Rajkot, Simla, and Muzaffarpur (from November 1950).

STATEMENT 32

(A) REMITTANCES THROUGH THE RESERVE BANK OF INDIA Telegraphic Transfers Issued and Paid

(Reference paragraph 30)

(Lakhs of Rupees)

Centre	1949-50						1950-51					
	October to December		January to March		April to June		July to September		October to December		January to March	
	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid
Bombay	68,20	64,44	57,94	62,41	41,07	84,02	50,22	89,51	47,99	87,56	89,78	85,28
Calcutta	72,20	96,63	55,55	105,65	48,34	104,57	81,10	79,91	63,83	104,82	132,05	79,58
Delhi	25,24	21,40	20,90	14,79	31,42	26,54	30,40	13,36	21,55	24,35	22,00	20,15
Kanpur	14,18	11,31	8,43	18,04	9,51	20,24	25,80	5,14	9,80	16,53	8,18	22,62
Madras	12,42	33,86	12,52	43,88	17,37	25,04	23,64	24,96	18,11	39,29	19,50	65,24
Total	192,24	227,64	155,34	244,77	147,71	260,41	211,06	212,78	161,28	272,55	271,51	272,87

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(B) REMITTANCES THROUGH THE IMPERIAL BANK OF INDIA

(Reference paragraph 30)

(Lakhs of Rupees)

From Offices in	1950-51								
	1949-50			1950-51					
	Bengal Circle	Bombay Circle	Madras Circle	Total	Bengal Circle	Bombay Circle	Madras Circle	Total	
Bengal Circle	..	347,81	143,58	30,17	521,55	346,21	122,12	31,15	499,48
Bombay Circle	..	98,75	218,08	28,75	345,58	94,87	268,37	85,37	398,61
Madras Circle	..	30,55	62,16	203,60	296,30	36,52	55,99	226,88	319,34
Total	..	477,11	423,81	262,52	1,163,44	477,60	446,49	293,34	1,217,43

Note.—Figures relate to the Indian Union.

§ Telegraphic Transfers paid, Mail Transfers received, Drafts paid and Demand Drafts purchased.

IMPERIAL BANK OF INDIA AND TREASURY AGENCIES

(Reference paragraph 30)

(Rupees in Lakhs)

	HALF YEAR ENDED 30-9-1949				HALF YEAR ENDED 31-3-1950				(Rupees in Lakhs)			
	Telegraphic Transfers		Drafts and Mail Transfers		Telegraphic Transfers		Drafts and Mail Transfers		Telegraphic Transfers		Drafts and Mail Transfers	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
The General Public												
Scheduled Banks :												
At par	20,855	52.61	2,76,373	75.43	20,123	57.75	2,91,689	75.91	18,631	53.55	3,00,298	77.76
At a premium	12,086	368.03	2,140	11.05	10,510	297.87	2,482	7.76	11,808	344.69	3,483	12.81
Approved Non-Scheduled Banks and	5,850	45.93	18,971	20.93	7,686	70.45	17,286	20.67	7,064	47.32	18,602	19.70
Indigenous Bankers (under para. 3C of the Remittance Facilities Scheme)	409	2.18	3,601	3.25	475	2.22	3,785	3.13	550	3.76	3,984	4.71
Co-operative Banks and Societies :												
At par	137	2.93	455	7.02	106	2.75	309	3.82	191	4.54	420	4.91
At a premium	389	3.30	12,434	14.94	724	3.68	12,817	12.46	427	2.68	13,874	13.32
Local Funds at a premium (under para. 3E (i) (f) of the Remittance Facilities Scheme)	19	(a)	3,164	31	21	(a)	3,683	59	7	(a)	3,393	73
Other remittances at par	1,921	29.04	1,11,554	44.27	2,140	17.14	1,13,603	52.23	2,252	20.80	1,15,980	46.22
Government :												
Intra-Provincial at par	567	6.06	1,61,640	38.01	891	3.26	1,81,145	52.10	587	1.87	1,58,906	47.07
Extra-Provincial at a premium	285	67	18,728	6.42	422	18	28,285	9.07	311	96	20,063	7.39
Total	42,518	510.77	6,09,060	221.63	43,098	455.30	6,55,084	237.74	41,818	480.26	6,39,003	234.61

Note.—Figures relate to the Indian Union.

STATEMENT 33

ENCASHMENT OF FOREIGN CIRCLE NOTES, 1950-51

(Reference paragraph 30)

(Rupees)

	Cashed at				Total
	Bombay	Calcutta	Delhi	Kanpur	
Bombay	20,57,73,100	5,94,85,150	6,23,95,950	3,83,66,150	39,21,83,150
Calcutta	2,38,94,200	1,88,13,700	8,61,82,100	14,26,20,850	62,73,74,000
Delhi	3,83,47,500	3,31,71,750	4,30,14,050	1,16,67,800	6,15,62,700
Kanpur	6,86,97,300	1,82,47,650	1,26,36,150	70,87,300	13,79,80,250
Madras	15,32,89,550	3,20,650	1,24,78,550	27,16,500	10,36,68,400
Karachi	5,91,59,650	14,37,700	12,42,43,550	1,68,59,600	17,24,88,600
Lahore	33,450	50,500	22,900	48,750	21,48,73,350
Rangoon	54,61,94,750	12,85,27,100	34,09,68,250	21,93,47,050	6,13,150
Total					171,07,43,600

STATE
SURVEYS OF OWNERSHIP
(Reference)

	DEMAND DEPOSITS						SAVINGS DEPOSITS					
	December 1949		June 1950		December 1950		December 1949		June 1950		December 1950	
	Percent-		Percent-		Percent-		Percent-		Percent-		Percent-	
	Amo- unt	age	Amo- unt	age	Amo- unt	age	Amo- unt	age	Amo- unt	age	Amo- unt Scheduled	age
Business	245.7	51.4	248.2	50.9	254.5	52.4	1.9	1.4	2.0	1.5	2.0	1.5
Personal	137.6	28.8	141.3	29.0	133.4	27.5	129.4	96.5	131.3	96.4	131.8	96.1
Others	84.3	17.6	87.9	18.0	87.5	18.0	2.8	2.1	2.9	2.1	3.3	2.4
Unclassified*	10.6	2.2	10.2	2.1	10.3	2.1	—	—	—	—	—	—
Total	478.2	100.0	487.6	100.0	485.7	100.0	134.1	100.0	136.2	100.0	137.0	100.0
Sample of												
Business	4.8	57.1	3.0	50.8	3.6	52.9	0.3	5.8	0.4	8.3	0.3	6.1
Personal	2.2	26.2	1.8	30.5	2.1	30.9	4.6	88.4	4.1	85.4	4.3	87.8
Others	0.9	10.7	0.6	10.2	0.6	8.8	0.3	5.8	0.3	6.3	0.3	6.1
Unclassified*	0.5	6.0	0.5	8.5	0.5	7.4	—	—	—	—	—	—
Total	8.4	100.0	5.9	100.0	6.7	100.0	5.2	100.0	4.8	100.0	4.9	100.0

Note.—Number of reporting scheduled banks for each survey: 88; number of reporting non-scheduled banks: 110, 98

* Accounts with balances of less than Rs. 500.

STATE
SURVEYS OF
(Reference)

Government Securities* Maturing										
End of	No. of Reporting Banks	Within 5 years	Percent- age of 2 to 5	Between 5 and 15 years	Percent- age of 4 to 8	After 15 years	Percent- age of 6 to 8	Total	Percent- age of 8 to 20	Shares and Deben- tures
	1	2	3	4	5	6	7	8	9	10
Scheduled										
June 1949	.. 91	95.8	27.9	186.2	54.2	61.5	17.9	343.5	88.7	12.8
December 1949	.. 92	107.5	30.1	188.2	52.7	61.6	17.2	357.3	88.7	13.3
June 1950	.. 92	93.5	26.4	199.5	56.3	61.5	17.4	354.4	88.0	13.2
December 1950	.. 89	119.5	32.7	191.9	52.4	54.7	14.9	366.0	87.9	14.4
Sample of										
June 1949	.. 62	1.5	17.9	4.0	47.6	2.9	34.5	8.4	79.3	1.0
December 1949	.. 101	1.7	18.9	4.1	45.5	3.2	35.6	9.0	78.3	1.1
June 1950	.. 98	1.0	18.2	3.9	47.6	3.3	40.2	8.1	79.4	1.1
December 1950	.. 110	1.4	16.1	3.9	44.8	3.4	39.1	8.7	79.1	1.1

* Include Central and State Government Securities.

MENT 34

OF DEPOSITS OF BANKS

paragraphs 32 & 33)

(Crores of Rupees)

TIME DEPOSITS						TOTAL DEPOSITS					
December 1949		June 1950		December 1950		December 1949		June 1950		December 1950	
Amount	Percent- age	Amount	Percent- age	Amount	Percent- age		age	Amount	Percent- age	Amount	Percent- age
Banks											
50.5	23.6	50.3	23.3	58.2	25.7	298.1	36.1	300.5	35.8	314.7	37.0
127.3	59.4	127.9	59.1	128.1	56.5	394.3	47.7	400.5	47.7	393.3	46.3
35.0	16.3	36.8	17.0	39.1	17.2	122.1	14.8	127.6	15.2	120.9	15.3
1.4	0.7	1.3	0.6	1.4	0.6	12.0	1.4	11.5	1.3	11.7	1.4
214.2	100.0	216.3	100.0	226.7	100.0	826.4	100.0	840.1	100.0	849.6	100.0
Non-Scheduled Banks											
4.1	26.7	3.4	23.3	3.6	21.6	9.3	32.2	6.8	26.9	7.5	26.4
9.7	62.9	9.7	66.4	11.7	70.0	16.3	56.4	15.6	61.6	18.1	63.7
1.2	7.8	1.0	6.9	0.8	4.8	2.4	8.3	1.9	7.5	1.7	6.0
0.4	2.6	0.5	3.4	0.6	3.6	0.9	3.1	1.0	4.0	1.1	3.9
15.4	100.0	14.6	100.0	16.8	100.0	28.9	100.0	25.3	100.0	28.4	100.0

and 123 for the December 1949, June 1950 and December 1950 surveys, respectively.

MENT 35

INVESTMENTS OF BANKS

paragraphs 32 & 33)

(Crores of Rupees)

Percentage of 10 to 20	Trustee Securities	Percentage of 12 to 20	Fixed Deposits	Percentage of 14 to 20		Percentage of 16 to 20	Foreign Invest- ments	Percentage of 18 to 20	Grand Total
11	12	13	14	15	16	17	18		
Banks									
3.3	3.7	1.0	0.5	0.1	2.1	0.5	24.7	6.4	387.3
3.3	5.1	1.3	0.5	0.1	6.0	1.5	20.4	5.1	402.6
3.3	5.4	1.3	0.4	0.1	6.5	1.6		5.7	402.7
3.5	7.1	1.7	0.4	0.1	6.6	1.6	21.8	5.2	416.2
Non-Scheduled Banks									
9.4	0.2	1.9	0.4	3.8	0.5	4.7	0.1	0.9	10.6
9.6	0.3	2.6	0.5	4.3	0.5	4.3	0.1	0.9	11.5
10.7	0.2	2.0	0.2	2.0	0.5	4.9	0.1	1.0	10.3
10.0	0.3	2.7	0.3	2.7	0.6	5.5			11.0

STATEMENT 36

LIABILITIES AND ASSETS OF BANKING COMPANIES†

(Reference paragraph 33)

(Lakhs of Rupees)

Last Friday	No. of Reporting Banks	Paid-up Capital and Reserves	DEPOSITS					Due to other Banks	Total Liabilities	Cash in Hand and Reserve Bank	8 as Per cent of 5	Balances with other Banks and Money at Call and Short Notice					INVESTMENTS					11 as Per cent of 5	Loans and Advances	14 as Per cent of 5	Total Assets																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
			Demand	Time	Total	Govt. Securities	Others																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
												1	2	3	4	5	6	7	8	9	10					11	12	13	14	15	16																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
(A) SCHEDULED BANKS																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
December 1948†	94	56,59	588,26	251,82	840,08	47,30	1,000,20	100,20	11.9	30,74	426,10	16,16	373,03	44.4	1,025,59																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								

(A) SCHEDULED BANKS

January 1950..	92	56.83	553.44	250.74	804.18	31.13	937.15	92.41	11-5	17.03	343.46	21.67	45-4	385.18	47-9	913.76
February ..	92	57.04	559.53	252.74	812.27	36.11	961.29	93.11	11-5	18.36	338.84	22.18	44-4	397.32	48-9	920.69
March ..	93	57.44	564.19	252.23	816.42	36.01	970.52	87.85	10-8	13.59	332.51	22.78	43-5	425.06	52-1	938.15
April ..	93	59.68	560.40	264.41	833.81	33.51	992.42	91.39	11-0	17.68	332.80	22.43	42-6	446.36	53-5	962.94
May ..	93	59.94	566.61	266.40	833.01	25.04	984.03	95.83	11-5	17.65	334.83	21.83	42-8	440.06	52-8	953.85
June ..	92	59.82	565.99	266.73	832.72	20.14	979.39	106.78	12-8	19.29	344.55	22.72	44-1	426.84	51-3	959.00
July ..	94	60.14	575.10	267.28	842.38	22.54	989.13	116.14	13-8	20.63	351.86	23.27	44-5	410.55	48-7	966.31
August ..	92	59.54	567.88	265.44	833.32	20.81	976.73	111.08	13-3	20.40	356.91	23.58	45-7	396.40	47-6	950.40
September ..	94	59.59	571.73	268.21	845.62	21.11	988.52	117.83	14-0	21.39	363.30	24.76	46-7	385.69	45-9	962.95
October ..	93	59.22	577.64	267.98	845.94	20.84	993.06	118.66	14-0	21.30	370.68	24.32	46-7	379.82	44-9	960.58
November ..	94	59.72	578.00	272.16	850.16	17.10	991.89	123.06	14-5	19.81	369.65	24.81	46-4	379.97	44-7	960.34
December ..	91	59.54	568.28	278.24	846.52	19.22	993.83	102.95	12-2	17.89	357.03	24.14	45-0	416.05	49-1	975.22

(B) NON-SCHEDULED BANKS

January 1950..	335	8.24	14.21	24.75	38.96	3.47	52.94	3.02	7-8	1.68	10.56	2.88	34-5	31.30	50-3	52.17
February ..	365	7.93	11.96	23.26	35.22	3.31	48.35	2.69	7-6	1.64	9.19	2.85	30-7	28.36	50-5	47.51
March ..	364	8.23	12.67	23.57	36.94	3.48	49.82	2.85	7-9	1.64	9.11	2.87	33-1	29.63	51-8	49.04
April ..	361	8.64	13.22	24.63	37.85	3.38	51.67	2.97	7-8	1.79	9.34	2.80	32-3	30.67	51-0	50.88
May ..	359	8.61	13.40	25.08	38.48	3.16	51.87	3.05	7-9	1.94	9.39	2.93	32-0	30.64	79-6	51.10
June ..	360	8.66	13.66	24.96	38.62	2.58	52.25	3.32	8-6	2.01	9.61	2.75	32-0	29.93	77-5	50.74
July ..	348	8.35	13.13	24.11	37.94	2.80	50.02	2.88	7-7	1.95	9.67	2.68	33-2	29.16	78-3	49.34
August ..	350	8.58	13.32	24.60	37.92	3.14	51.25	2.91	7-7	1.83	9.88	2.72	33-2	30.09	79-4	50.56
September ..	348	8.37	13.17	24.48	37.65	3.34	50.63	2.84	7-5	1.90	10.06	2.48	33-3	30.05	79-8	50.40
October ..	348	8.46	13.24	25.12	38.36	3.60	52.14	2.80	7-3	1.70	10.04	2.58	32-9	31.35	81-7	51.72
November ..	345	8.29	13.05	24.98	38.03	3.09	51.27	2.66	7-0	1.79	9.87	2.57	32-7	30.88	87-2	50.86
December ..	339	7.84	12.94	24.41	37.45	2.61	49.80	3.58	9-6	2.38	9.78	2.35	32-5	28.35	75-9	49.52

(C) TOTAL OF (A) AND (B)

January 1950..	447	65.07	567.65	275.49	843.14	34.60	990.09	95.46	11-3	18.71	354.02	24.55	44-9	416.48	49-4	965.93
February ..	457	64.97	571.49	276.00	847.49	39.42	1,009.44	95.80	11-3	20.00	348.03	25.03	44-0	425.68	50-2	968.20
March ..	457	65.67	576.86	275.80	852.66	39.40	1,020.34	90.70	10-6	15.23	341.62	25.65	43-1	434.69	53-3	987.19
April ..	454	68.32	582.62	289.04	871.66	36.89	1,044.99	94.36	10-8	19.47	342.14	25.32	42-2	447.03	54-7	1,013.82
May ..	452	68.55	580.01	291.48	882.01	28.20	1,035.90	98.90	11-3	19.33	344.22	24.76	42-3	470.70	54-0	1,004.95
June ..	452	68.48	579.65	291.69	871.34	22.72	1,031.64	110.10	12-6	21.36	354.16	25.47	43-6	436.77	52-4	1,009.74
July ..	442	68.49	588.23	291.39	879.62	25.34	1,039.15	119.32	13-6	22.58	361.53	25.85	44-1	439.71	50-0	1,015.65
August ..	442	67.62	581.20	290.04	871.24	23.96	1,027.98	113.99	13-1	22.23	366.79	26.30	45-1	426.49	49-0	1,000.96
September ..	442	67.65	584.90	292.69	877.59	24.45	1,039.15	120.67	13-8	23.10	373.96	27.24	45-7	415.74	47-4	1,013.35
October ..	441	67.68	580.88	293.10	883.98	24.44	1,045.20	121.46	13-7	23.09	380.72	26.90	46-1	411.17	46-5	1,012.30
November ..	439	68.01	591.05	293.14	889.19	20.19	1,043.16	126.32	14-2	21.60	379.52	27.38	45-8	410.86	46-3	1,011.20
December ..	430	67.38	581.22	302.65	883.97	21.83	1,043.63	106.53	12-1	20.27	366.81	26.49	44-5	444.40	50-3	1,024.74

† Under Section 27 (1) of the Banking Companies Act, 1949. ‡ Under Section 8 (1) of the Banking Companies (Control) Ordinance, 1948.

§ Exclude paid-up capital of banks registered outside the Provinces of India and the acceding States to which the Banking Companies Act, 1949 extends.

STATEMENT 37

SURVEYS OF BANK ADVANCES

(Reference paragraphs 32 & 33)

(Crores of Rupees)

	31 March 1950		30 June 1950		30 Sept. 1950		31 Dec. 1950	
	Amount	Per cent to total	Amount	Per cent to total	Amount	Per cent to total	Amount	Per cent to total
	1	2	3	4	5	6	7	8
I.—SCHEDULED BANKS								
No. of Reporting Banks ..	90		90		91		88	
<i>A.—According to Purpose :</i>								
Advances to—								
(1) Industry ..	156.8	31.5	154.5	32.5	149.0	34.0	152.4	32.0
(2) Commerce ..	259.7	52.1	238.4	50.1	208.8	47.6	246.1	51.7
(3) Agriculture ..	11.5	2.3	15.3	3.2	14.5	3.3	11.0	2.3
(4) Personal and Professional..	39.1	7.9	39.0	8.2	41.4	9.4	42.1	8.9
(5) All Others ..	31.3	6.3	28.5	6.0	24.6	5.6	24.0	5.1
Total ..	498.4	100.0	475.7	100.0	438.3	100.0	475.6	100.0
<i>B.—According to Security :</i>								
Advances against—								
(1) Government and Trustee Securities ..	56.7	11.4	45.8	9.6	43.5	9.9	45.1	9.5
(2) Shares ..	53.2	10.7	50.0	10.5	51.0	11.6	53.3	11.2
(3) Merchandise ..	226.4	45.4	224.7	47.2	189.3	43.2	212.5	44.7
(4) Real Estate ..	21.2	4.3	21.6	4.5	22.2	5.1	22.3	4.7
(5) Bullion ..	11.0	2.2	11.0	2.3	12.4	2.8	14.7	3.1
(6) Other Securities ..	61.0	12.2	56.0	11.8	50.8	13.6	59.7	12.5
(7) Unsecured ..	68.9	13.8	66.6	14.0	60.1	13.7	68.1	14.3
Total ..	498.4	100.0	475.7	100.0	438.3	100.0	475.6	100.0
II.—NON-SCHEDULED BANKS								
No. of Reporting Banks ..	415		418		415		421	
<i>A.—According to Purpose :</i>								
Advances to—								
(1) Industry ..	6.2	15.3	6.8	16.0	6.9	16.8	7.3	17.8
(2) Commerce ..	17.3	43.0	19.3	45.4	17.7	43.2	17.1	41.6
(3) Agriculture ..	1.9	4.7	2.2	5.2	2.3	5.5	2.2	5.4
(4) Personal and Professional..	11.4	28.2	11.7	27.5	11.8	28.8	11.6	28.3
(5) All Others ..	3.5	8.7	2.5	5.9	2.4	5.8	2.8	6.9
Total ..	40.3	100.0	42.4	100.0	41.1	100.0	41.0	100.0
<i>B.—According to Security :</i>								
Advances against—								
(1) Government and Trustee Securities ..	0.3	0.8	0.2	0.4	0.2	0.4	0.2	0.4
(2) Shares ..	2.1	5.2	2.0	4.6	1.9	4.6	1.6	4.0
(3) Merchandise ..	7.5	18.7	10.1	23.7	8.1	19.8	8.1	19.8
(4) Real Estate ..	8.4	20.9	8.4	19.8	8.3	20.2	8.4	20.5
(5) Bullion ..	6.8	17.0	6.3	14.9	7.8	18.9	8.0	19.5
(6) Other Securities ..	5.8	14.3	5.5	12.9	5.3	13.0	5.6	13.7
(7) Unsecured ..	9.3	23.1	10.1	23.7	9.5	23.2	9.1	22.1
Total ..	40.3	100.0	42.4	100.0	41.1	100.0	41.0	100.0

STATEMENT 38

RESERVE BANK OF INDIA : ISSUE DEPARTMENT SINCE 1935-36

(Reference paragraph 37)

(Lakhs of Rupees)

Average of Friday figures	LIABILITIES		Total Liabilities (Total Notes Issued) or Assets	ASSETS				4+5 as percentage of (3)
	Notes in Circulation	Notes held in the Banking Department		Gold Coin and Bullion†	Foreign Securities	Rupee Coin*	Rupee Securities	
	1	2	3	4	5	6	7	8
1935-36	164.06	27.58	191.64	44.42	62.09	55.51	29.62	55.58
1936-37	175.81	25.81	201.62	44.42	69.57	61.01	23.62	56.54
1937-38	186.15	25.61	211.76	44.42	79.92	60.23	27.19	58.72
1938-39	182.36	28.28	210.64	44.42	66.95	67.11	32.16	52.91
	(7.97)	(1)	(7.98)					
1939-40	209.22	18.79	228.01	44.42	78.63	67.52	37.44	53.97
	(11.09)	(8)	(11.17)					
1940-41	241.41	17.26	258.67	44.42	129.92	35.87	48.46	67.39
	(13.38)	(20)	(13.58)					
1941-42	307.68	12.21	319.89	44.42	165.00	35.28	75.19	65.47
	(20.20)	(23)	(20.43)					
1942-43	513.44	11.80	525.24	44.42	319.11	22.33	139.38	69.21
1943-44	777.17	10.50	787.67	44.42	643.52	14.28	85.45	87.54
1944-45	908.69	10.93	919.62	44.42	863.73	13.52	57.95	92.70
1945-46	1,162.64	16.41	1,179.05	44.42	1,061.26	15.53	57.84	93.78
1946-47	1,222.96	32.61	1,255.57	44.42	1,133.88	19.43	57.84	93.85
1947-48	1,227.82	47.12	1,274.95	44.42	1,135.32	32.36	62.84	92.63
1948-49	1,231.84	22.02	1,253.86	42.49	907.47	42.96	265.62	75.43
	(5.58)	()	(5.58)					
1949-50	1,128.94	24.00	1,152.94	40.02	647.04	50.53	415.36	59.59
1950-51	1,163.21	17.19	1,180.40	40.02	624.70	57.21	458.47	56.31
1949-50								
April	1,184.69	14.44	1,199.12	40.02	720.31	46.04	392.72	63.41
May	1,189.16	19.30	1,208.45	40.02	712.84	46.87	408.72	62.30
June	1,171.56	35.48	1,207.04	40.02	706.59	46.71	413.72	61.85
July	1,133.54	35.82	1,169.36	40.02	663.34	48.28	417.72	60.15
August	1,101.30	31.48	1,135.78	40.02	626.59	50.42	418.76	58.69
September	1,082.38	32.44	1,114.82	40.02	604.34	52.39	418.07	57.80
October	1,078.87	29.79	1,108.67	40.02	600.34	53.04	415.27	57.76
November	1,079.02	30.09	1,109.11	40.02	600.34	53.50	415.25	57.74
December	1,097.68	13.38	1,111.07	40.02	602.34	53.48	415.23	57.81
January	1,123.00	13.74	1,136.74	40.02	627.84	53.65	415.23	58.75
February	1,141.37	13.31	1,154.68	40.02	647.84	51.57	415.25	59.57
March	1,161.02	17.40	1,178.42	40.02	650.34	50.78	437.27	58.58
1950-51								
April	1,188.54	14.95	1,203.49	40.02	650.31	55.35	457.77	57.36
May	1,189.57	15.61	1,205.18	40.02	647.30	54.74	463.12	57.03
June	1,179.11	25.36	1,204.47	40.02	638.15	54.64	471.67	56.30
July	1,150.94	36.37	1,187.31	40.02	620.65	56.24	470.40	55.64
August	1,125.89	25.83	1,151.72	40.02	590.65	58.17	462.88	54.76
September	1,106.17	23.38	1,129.55	40.02	583.15	59.76	446.63	55.17
October	1,109.47	10.68	1,120.15	40.02	583.15	60.36	436.63	55.63
November	1,118.31	12.77	1,131.07	40.02	594.40	60.03	436.63	56.09
December	1,144.18	10.96	1,155.15	40.02	619.15	59.35	436.63	57.06
January	1,186.03	8.93	1,194.96	40.02	638.15	57.67	459.13	56.75
February	1,215.14	10.72	1,225.86	40.02	653.15	56.07	476.63	56.55
March	1,240.83	10.34	1,251.17	40.02	674.15	54.38	482.63	57.08

Note.—From 1938-39 to 1941-42 Burma notes are shown within brackets below totals for India and Burma. Figures up to 1947-48 relate to undivided India. Annual averages since 1948-49 are net of adjustments made on account of (i) transfer of liabilities to the State Bank of Pakistan in respect of inscribed Pakistan Notes issued between April and June 1948 and (ii) cancellations of India Notes returned from circulation in Pakistan under Section 4(2) of Part IV of the Pakistan (Monetary System and Reserve Bank) Order, 1947, as amended. Figures within brackets for 1948-49 are annual averages of weekly figures for the period April-June 1948 in respect of inscribed Pakistan Notes in column 1 and Rupee coin in column 6. † Valued at the statutory rate of Rs. 21-3-10 per tola. *Includes one rupee notes from July 1940.

STATEMENT 39

RESERVE BANK OF INDIA : ISSUE DEPARTMENT WEEKLY STATEMENT OF ASSETS AND LIABILITIES, 1950-51 (Reference paragraph 37)

		LIABILITIES				ASSETS				(Lakhs of Rupees)	
1950-51		Notes in Circulation†	Notes held in the Banking Department		Total Liabilities (Total Notes Issued)† or Assets	Gold Coin* and Bullion	Foreign Securities	Rupee Coin ‡	Rupee Securities	Percentage of 4+5 to 3	
		1	2	3		4	5	6	7		
Friday	April	7	9,09	1,195,87	40,02	650,34	430,27	57,73	57,73		
	"	14	11,83	1,205,78	40,02	650,34	460,27	57,25	460,27		
	"	21	17,12	1,205,95	40,02	650,34	480,27	57,25	480,27		
	"	28	21,75	1,206,34	40,02	650,34	460,27	57,25	460,27		
May	5	1,193,42	12,10	1,205,53	40,02	650,34	460,27	57,27	460,27		
	"	12	9,88	1,205,23	40,02	650,34	54,59	57,28	460,27		
	"	19	17,37	1,205,17	40,02	650,34	54,54	57,28	480,27		
	"	26	23,09	1,204,79	40,02	638,15	54,95	56,29	471,67		
June	2	1,182,53	21,91	1,204,45	40,02	638,15	54,61	56,31	471,67		
	"	9	12,59	1,203,88	40,02	638,15	54,04	56,35	471,67		
	"	16	21,05	1,204,15	40,02	638,15	54,31	56,32	471,67		
	"	23	34,65	1,204,76	40,02	638,15	54,92	56,29	471,67		
July	30	1,168,53	36,61	1,205,14	40,02	638,15	55,30	56,27	471,67		
	7	1,165,87	39,23	1,205,09	40,02	638,15	55,25	56,28	471,67		
	14	1,158,71	46,78	1,205,48	40,02	638,15	55,67	56,26	471,65		
	21	1,146,80	29,54	1,176,34	40,02	608,15	56,53	55,10	471,65		
August	28	1,132,37	29,95	1,162,32	40,02	598,15	57,52	54,91	466,63		
	4	1,135,29	27,07	1,162,36	40,02	598,15	57,57	54,90	466,63		
	11	1,133,63	28,93	1,162,56	40,02	598,15	57,77	54,89	466,63		
	18	1,125,07	22,96	1,148,02	40,02	583,15	58,23	54,28	466,63		
	25	1,109,56	24,35	1,133,92	40,02	583,15	59,12	54,96	451,63		

September	1	..	1,106,00	28,20	1,134,27	40,02	583,15	59,47	451,63	54-94
"	8	..	1,115,84	17,93	1,133,77	40,02	583,15	58,97	451,63	54-96
"	15	..	1,111,03	23,20	1,134,23	40,02	583,15	59,44	451,63	54-94
"	22	..	1,102,41	22,54	1,124,95	40,02	583,15	60,16	441,63	55-40
"	29	..	1,095,59	24,94	1,120,54	40,02	583,15	60,74	436,63	55-61
October	6	..	1,107,30	12,75	1,120,05	40,02	583,15	60,25	436,63	55-64
"	13	..	1,111,36	8,58	1,119,94	40,02	583,15	60,15	436,63	55-64
"	20	..	1,113,41	6,60	1,120,01	40,02	583,15	60,21	436,63	55-64
"	27	..	1,105,31	14,89	1,120,61	40,02	583,15	60,81	436,63	55-61
November	3	..	1,111,12	9,23	1,120,34	40,02	583,15	60,55	436,63	55-62
"	10	..	1,127,18	7,33	1,134,51	40,02	598,15	59,72	436,63	56-25
"	17	..	1,121,16	13,40	1,134,56	40,02	598,15	59,76	436,63	56-25
"	24	..	1,113,78	21,11	1,134,89	40,02	598,15	60,09	436,63	56-23
December	1	..	1,119,92	15,18	1,135,10	40,02	598,15	60,30	436,63	56-22
"	8	..	1,140,26	8,86	1,149,12	40,02	613,15	59,33	436,63	56-84
"	15	..	1,146,28	12,62	1,158,90	40,02	623,15	59,10	436,63	57-22
"	22	..	1,151,21	7,73	1,158,93	40,02	623,15	59,14	436,63	57-22
"	29	..	1,163,25	10,43	1,173,69	40,02	638,15	58,89	436,63	57-78
January	5	..	1,174,93	8,06	1,183,00	40,02	638,15	58,20	446,63	57-33
"	12	..	1,188,61	8,81	1,197,42	40,02	638,15	57,62	461,63	56-64
"	19	..	1,189,90	7,32	1,197,22	40,02	638,15	57,43	461,63	56-65
"	26	..	1,190,69	11,52	1,202,20	40,02	638,15	57,41	466,63	56-41
February	2	..	1,202,37	9,40	1,211,77	40,02	638,15	56,98	476,63	55-97
"	9	..	1,220,02	10,62	1,230,65	40,02	658,15	55,85	476,63	56-72
"	16	..	1,220,97	9,43	1,230,40	40,02	658,15	55,60	476,63	56-74
"	23	..	1,217,21	13,42	1,230,63	40,02	658,15	55,83	476,63	56-72
March	2	..	1,222,32	7,79	1,230,10	40,02	658,15	55,31	476,63	56-76
"	9	..	1,242,70	6,30	1,249,00	40,02	678,15	54,21	476,63	57-50
"	16	..	1,244,35	14,48	1,258,83	40,02	678,15	54,03	486,63	57-05
"	23	..	1,247,35	11,43	1,258,78	40,02	678,15	53,90	486,63	57-05
"	30	..	1,247,41	11,72	1,259,13	40,02	678,15	54,34	486,63	57-04

* Valued at the statutory rate of Rs. 21-3-10 per tola. † Include the balance of India notes retired from Pakistan and awaiting cancellation.

† Include one rupee notes.

STATEMENT 40

RESERVE BANK OF INDIA : BANKING DEPARTMENT WEEKLY STATEMENT OF ASSETS AND LIABILITIES, 1950-51

(Reference paragraph 37)

(Lakhs of Rupees)

1950-51		LIABILITIES						ASSETS							
		Deposits			Total	Other Liabilities	Total Liabilities or Assets	Notes and Coin	Balances held abroad†	Loans and Advances to Govt. concerns	Other Loans and Advances	Bills Purchased and Discounted	Investments	Other Assets	
		Central Government	Other Government	Banks											Others
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Friday															
April	7	124.86	32.00	51.73	63.65	272.23	21.04	303.27	9.19	204.87	1.52	10.95	3.09	68.43	5.22
"	14	137.97	23.84	44.97	62.58	269.16	21.40	300.56	11.95	201.79	8.90	10.59	2.82	50.26	5.34
"	21	131.30	28.35	48.39	61.82	270.26	21.80	302.06	17.26	199.38	6.54	10.43	3.02	56.99	5.43
"	28	133.37	27.27	51.54	61.12	273.30	20.89	304.19	21.90	198.32	4.16	10.32	3.35	60.49	5.64
May	5	126.63	26.81	50.72	61.23	265.40	20.39	295.79	12.22	200.33	3.38	10.56	2.93	60.04	5.41
"	12	133.55	18.45	51.37	59.61	262.99	20.47	293.46	10.66	200.24	4.96	10.26	2.99	50.55	5.47
"	19	128.04	21.61	53.00	59.87	262.42	20.55	292.97	17.52	196.36	1.52	10.32	2.96	58.82	5.47
"	26	128.66	23.16	54.48	58.93	265.23	20.31	295.55	23.24	193.72	1.35	10.16	3.24	58.76	5.07
June	2	127.68	22.75	52.15	59.37	262.15	20.76	292.91	21.98	192.08	1.62	10.11	2.98	58.92	5.22
"	9	125.71	16.38	52.92	59.20	254.30	20.23	284.53	12.70	190.87	4.32	10.06	2.72	58.42	5.45
"	16	130.37	16.01	57.23	60.50	264.16	20.39	294.75	21.15	191.97	6.06	10.01	1.65	58.45	5.46
"	23	142.35	17.00	56.51	60.85	276.71	20.79	307.50	34.79	191.56	5.45	10.62	1.63	58.32	5.73
"	30	140.67	15.20	52.44	63.58	271.88	15.95	297.83	36.74	189.25	.93	10.01	1.76	57.05	2.10
July	7	139.53	16.27	55.85	60.01	271.69	18.68	300.37	39.36	186.66	.88	10.02	1.93	57.07	4.45
"	14	146.86	11.26	60.63	61.29	279.44	18.17	307.62	46.92	184.37	2.07	10.03	2.68	57.09	4.46
"	21	133.90	13.10	70.39	61.61	284.99	17.85	312.84	29.70	209.65	2.41	8.78	2.76	55.56	3.98
"	28	136.13	17.06	76.65	61.38	291.81	18.87	320.68	30.10	219.87	2.32	6.12	2.40	55.91	3.96
August	4	138.53	20.76	65.58	61.96	286.82	18.83	315.65	27.15	221.50	—	5.77	2.38	55.60	3.25
"	11	143.52	12.84	64.91	60.12	281.38	19.50	310.89	29.06	214.61	—	5.55	2.54	56.04	3.10
"	18	141.78	16.42	67.87	61.08	287.15	20.11	317.26	23.10	227.22	—	4.96	2.81	56.70	2.47
"	25	145.60	18.17	74.36	60.63	298.67	20.91	329.58	24.51	223.28	—	4.40	2.98	71.90	2.51

September	1	..	163,22	22,34	79,40	59,90	314,86	11,13	335,99	28,36	224,97	—	4,43	3,06	72,26	2,90
"	8	..	146,24	17,14	76,44	60,65	300,48	11,15	331,63	18,05	221,38	5	4,15	2,11	72,99	2,90
"	15	..	159,04	16,30	75,16	61,41	305,91	12,12	328,02	23,33	221,68	85	4,18	1,65	73,37	2,97
"	22	..	164,12	15,28	74,71	62,68	316,79	11,93	338,72	22,68	223,04	85	4,24	1,76	83,13	3,02
"	29	..	164,01	16,27	80,29	60,62	321,20	12,57	343,77	25,10	224,05	85	4,21	1,66	84,70	3,21
October	6	..	161,42	13,52	74,96	61,82	311,72	12,33	334,04	12,86	223,87	85	4,05	1,41	84,74	3,27
"	13	..	164,35	10,84	72,12	63,98	311,29	13,77	335,07	8,72	232,09	85	3,95	1,45	84,69	3,31
"	20	..	151,05	20,06	72,95	61,98	306,04	14,10	331,13	6,74	231,73	5	2,95	86	84,46	3,35
"	27	..	162,78	24,06	77,75	60,97	315,51	13,57	339,33	14,95	232,82	5	3,01	54	84,65	3,37
November	3	..	152,30	20,25	81,07	60,14	313,76	13,71	337,47	9,31	235,49	5	3,31	76	85,04	3,51
"	10	..	148,62	10,45	67,91	60,87	296,85	14,27	331,13	7,43	231,29	5	3,59	94	85,28	3,52
"	17	..	147,87	17,86	70,70	63,69	306,11	13,71	331,82	13,54	224,23	5	3,89	1,29	85,02	3,90
"	24	..	149,63	18,13	81,78	61,93	311,48	15,39	337,07	21,27	219,44	1,16	3,71	1,32	86,26	3,91
December	1	..	152,09	17,32	81,49	61,56	312,46	16,22	338,67	15,25	223,26	67	3,87	1,69	86,80	4,11
"	8	..	149,62	12,96	73,79	60,99	296,47	16,88	333,35	8,99	210,19	2,10	4,40	2,48	90,49	4,70
"	15	..	153,80	10,58	67,29	60,54	292,21	17,88	332,09	12,77	198,83	4,05	4,69	3,04	92,07	4,63
"	22	..	159,93	13,06	56,82	60,73	290,56	17,95	318,51	7,86	231,39	3,92	4,54	2,54	92,86	5,39
"	29	..	164,45	14,82	55,30	60,88	295,54	17,38	322,91	10,58	196,27	3,94	4,36	2,27	100,91	5,47
January	5	..	162,70	10,33	57,07	58,92	289,22	18,24	317,46	8,13	199,10	4,85	4,28	4,17	91,42	5,51
"	12	..	163,46	7,88	49,56	59,67	283,58	17,56	311,14	8,95	201,41	5,05	4,05	4,41	81,08	6,20
"	19	..	159,60	14,61	52,07	60,47	285,75	10,39	316,13	7,47	203,88	5,05	4,51	4,80	84,06	6,37
"	26	..	164,19	15,43	48,95	59,97	283,55	18,21	316,76	11,68	235,13	3,83	4,42	4,87	80,33	6,51
February	2	..	163,92	17,31	47,81	60,81	282,84	23,22	322,06	9,50	213,30	3,09	4,60	3,51	79,05	7,11
"	9	..	164,85	10,46	48,17	63,11	285,58	19,77	316,36	10,74	192,62	3,05	4,66	6,53	89,59	7,16
"	16	..	166,11	10,12	54,33	63,19	293,75	29,94	321,69	9,54	195,91	3,40	4,56	3,16	100,96	8,06
"	23	..	164,05	13,36	57,83	63,07	301,25	19,99	331,24	13,54	198,41	3,37	4,56	2,61	100,55	8,20
March	2	..	170,50	14,31	54,51	70,74	310,15	20,76	340,91	7,84	206,69	3,74	4,39	6,64	102,97	8,64
"	9	..	156,94	8,74	50,04	71,20	296,92	21,93	317,95	6,40	179,50	5,05	4,77	7,47	106,12	8,64
"	16	..	149,22	26,56	56,60	73,34	305,73	24,50	340,22	14,60	190,74	25	14,97	9,05	101,40	9,22
"	23	..	151,15	29,88	53,58	74,19	309,10	23,16	342,26	11,56	198,71	5	14,77	6,58	101,36	9,23
"	30	..	162,04	26,40	59,24	72,31	320,03	23,10	353,13	11,89	206,03	1,56	16,75	8,21	96,20	9,50

* Include capital and reserves, rupees ten crores. † Include cash and short-term securities.

STATEMENT 41

RESERVE BANK OF INDIA : BANKING DEPARTMENT SINCE 1935-36 (Reference paragraph 37)

(Lakhs of Rupees)

Average of Friday Figures	LIABILITIES					Total Liabilities* Assets	ASSETS							
	Deposits				Other Liabili- ties		Notes and Coin	Balances and held abroad†	Loans and Advances to Govern- ments	Other Loans and Ad- vances	Bills Purchased and Dis- counted	Invest- ments	Other Assets	
	Central Govern- ment 1	Other Govern- ments 2	Banks 3	Others 4										Total 5
1935-36	11,26		27,26	9	38,61	91	27,68	14,99	86	1	—	5,47	51	
1936-37	9,83		26,56	41	36,80	1,13	25,90	13,61	1,54	1	1	6,04	82	
1937-38	11,37		24,96	69	37,02	87	25,70	13,48	79	2	6	7,12	72	
1938-39	14,90		16,19	75	31,84	1,28	28,38	4,21	1,72	2	1,33	6,36	90	
1939-40	6,84	7,00	17,82	105	32,71	1,54	18,88	12,34	1,05	11	2,87	7,25	1,75	
1940-41	10,03	7,37	36,84	1,91	56,15	2,56	17,39	39,32	2,01	7	97	7,78	1,17	
1941-42	9,65	7,95	37,73	3,89	59,22	4,33	12,35	49,08	4,09	4	27	8,96	1,76	
1942-43	12,99	8,10	57,36	3,30	81,75	7,91	11,92	75,11	1,49	4	68	7,12	3,30	
1943-44	29,31	13,16	64,60	6,65	113,81	10,82	10,67	111,72	49	15	91	7,61	3,08	
1944-45	162,67	16,83	90,57	13,25	283,32	14,06	11,19	277,28	43	11	1,46	13,13	3,78	
1945-46	386,93	20,68	90,22	16,56	514,39	16,32	16,72	488,23	22	12	3,35	24,65	7,42	
1946-47	469,54	21,62	85,04	14,24	590,44	18,32	32,85	528,83	5	82	2,33	31,70	22,18	
1947-48	366,79 (21,20)	16,93 (2,43)	102,47	34,21	520,40	14,55	47,24	403,95	1,57	21	2,62	81,53	4,85	
1948-49	222,17 (14,83)	16,62 (3,04)	80,53	56,52	393,72	15,33	22,12 (—)	397,78	1,71 (1)	3,34	4,28	75,65	4,14	
1949-50	141,19	23,12	67,00	64,39	295,69	15,76	24,12	180,91	3,35	8,39	4,30	96,04	4,34	
1950-51	148,60	17,71	62,22	62,29	290,82	18,14	17,31	207,70	2,37	6,77	3,05	76,72	5,06	
1949-50														
April	166,09	28,07	53,06	69,46	316,68	19,34	14,54	190,95	2,40	6,05	8,14	118,99	4,94	
May	150,54	20,51	60,17	62,62	293,85	21,04	19,41	165,80	4,35	7,22	9,55	113,22	5,34	
June	131,33	18,22	66,53	60,03	276,11	19,91	35,58	135,87	8,20	8,04	5,30	107,51	5,51	

July	129,11	14,58	75,96	59,59	279,24	14,84	303,88	35,93	145,89	11,06	8,16	3,88	94,15	4,80
August	104,58	18,66	90,46	61,71	275,42	11,53	296,95	34,59	158,62	3,78	9,42	2,28	84,67	3,58
September	133,68	21,11	72,29	70,19	297,27	9,43	316,69	32,55	176,70	16	8,99	1,47	93,90	2,92
October	150,40	22,98	66,20	69,20	307,79	11,14	328,93	29,92	188,04	58	9,31	1,85	95,97	3,26
November	141,52	23,81	77,38	65,59	308,30	12,81	331,11	30,23	192,70	8	8,31	1,21	95,06	3,53
December	142,73	21,36	75,29	64,94	304,33	15,24	329,55	13,52	208,23	92	7,65	4,39	90,66	4,18
January	151,09	24,86	62,81	62,84	301,60	16,03	327,64	13,86	203,27	4,70	7,94	5,36	87,99	4,52
February	151,38	26,76	54,11	61,80	294,05	17,84	321,89	13,43	195,84	1,41	8,74	4,86	93,00	4,60
March	140,27	35,27	52,23	63,37	291,14	20,19	321,32	17,50	203,74	2,51	10,89	3,41	78,34	4,93
April	..	131,92	27,86	49,21	271,24	21,28	302,52	15,08	201,09	5,28	10,55	3,07	62,04	5,41
May	..	129,22	22,49	52,39	264,01	20,43	294,44	15,75	197,66	2,80	10,33	3,03	59,52	5,36
June	..	133,86	17,47	54,26	265,84	19,66	295,50	25,47	191,14	3,68	10,04	2,15	53,23	4,79
July	..	139,10	14,57	67,24	281,98	18,39	310,38	36,52	200,13	1,92	8,74	2,44	56,41	4,21
August	..	142,33	17,05	68,18	288,50	19,84	318,34	25,96	221,65	—	5,17	2,68	60,06	2,83
September	..	156,13	17,47	77,20	311,85	11,78	333,63	23,50	223,03	52	4,24	2,05	77,29	3,00
October	..	157,40	17,11	74,45	311,14	13,52	334,66	10,81	230,88	45	3,49	1,07	84,63	3,33
November	..	149,61	18,92	76,87	307,05	14,82	331,87	12,89	224,86	33	3,60	1,08	85,40	3,71
December	..	155,98	13,75	66,96	297,44	17,26	324,71	11,09	208,59	2,94	4,38	2,41	92,45	4,86
January	..	163,24	12,11	51,91	287,02	18,35	315,37	9,05	202,38	4,70	4,32	4,56	84,22	6,15
February	..	164,73	12,81	52,03	292,86	20,23	323,09	10,83	200,06	3,71	4,59	3,95	92,31	7,63
March	..	157,99	21,18	54,86	306,39	22,51	338,89	10,46	196,33	2,13	11,13	7,59	102,21	9,04

Note.—*Annual figures* : Data for Burma excluded. Figures upto 1947-48 and for the three months April to June 1948 relate to undivided India and thereafter to the Indian Union. Figures shown within brackets for 1947-48 relate to Pakistan and are averages for the period 15 August 1947 to March 1948. Figures shown in brackets for 1948-49 relate to Pakistan and are annual averages of weekly figures for the period April-June 1948.

* Include capital and reserves, rupees ten crores.

† Include cash and short-term securities.

STATE
LIABILITIES AND ASSETS (WEEKLY) OF THE
 (Issue and Banking
(Reference)

1950-51		LIABILITIES							Total Liabilities or Assets	
		Capital and Reserves	Notes in Circulation †	Deposits						Other Liabilities
				Central Government	Other Govern- ments	Banks	Others	Total		
Friday		1	2	3	4	5	6	7	8	9
April	7 ..	10,00	1,186,78	124,86	32,00	51,73	63,65	272,23	30,13	1,499,14
"	14 ..	10,00	1,193,95	137,97	23,84	44,97	62,38	269,16	33,23	1,506,34
"	21 ..	10,00	1,188,83	131,50	28,35	48,59	61,82	270,26	38,92	1,508,01
"	28 ..	10,00	1,184,59	133,37	27,27	51,54	61,12	273,30	42,64	1,510,53
May	5 ..	10,00	1,193,42	126,63	26,81	50,72	61,23	265,40	32,49	1,501,31
"	12 ..	10,00	1,195,35	133,55	18,45	51,37	59,61	262,99	30,35	1,498,69
"	19 ..	10,00	1,187,80	128,04	21,51	53,00	59,87	262,42	37,92	1,498,15
"	26 ..	10,00	1,181,70	128,66	23,16	54,48	58,93	265,23	43,40	1,500,33
June	2 ..	10,00	1,182,53	127,68	22,75	52,15	59,57	262,15	42,67	1,497,36
"	9 ..	10,00	1,191,29	125,71	16,38	52,92	59,29	254,30	32,82	1,488,41
"	16 ..	10,00	1,183,10	130,37	16,01	57,28	60,50	264,16	41,64	1,498,89
"	23 ..	10,00	1,170,11	142,35	17,00	56,51	60,85	276,71	55,43	1,512,26
"	30 ..	10,00	1,168,53	140,67	15,20	52,44	63,58	271,88	52,56	1,502,97
July	7 ..	10,00	1,165,87	139,53	16,27	55,88	60,01	271,69	57,91	1,505,46
"	14 ..	10,00	1,158,71	146,86	11,26	60,03	61,29	279,44	64,95	1,513,10
"	21 ..	10,00	1,146,80	133,90	13,10	76,39	61,61	284,99	47,39	1,489,18
"	28 ..	10,00	1,132,37	136,13	17,66	76,65	61,38	291,81	48,82	1,483,00
August	4 ..	10,00	1,185,29	138,53	20,76	65,58	61,96	286,82	45,90	1,478,01
"	11 ..	10,00	1,133,63	143,52	12,84	64,91	60,12	281,38	48,44	1,473,45
"	18 ..	10,00	1,125,07	141,78	16,42	67,87	61,08	287,15	43,06	1,465,28
"	25 ..	10,00	1,109,56	145,50	18,17	74,36	60,63	298,67	45,27	1,463,50
September	1 ..	10,00	1,106,00	153,22	22,34	79,40	59,90	314,86	39,39	1,470,25
"	8 ..	10,00	1,115,84	146,24	17,14	76,44	60,65	300,48	29,09	1,455,40
"	15 ..	10,00	1,111,03	153,04	16,30	75,16	61,41	305,91	35,32	1,462,26
"	22 ..	10,00	1,102,41	164,12	15,28	74,71	62,68	316,79	34,47	1,463,67
"	29 ..	10,00	1,095,59	164,01	16,27	80,29	60,62	321,20	37,51	1,464,31
October	6 ..	10,00	1,107,30	161,42	13,52	74,96	61,82	311,72	25,07	1,454,09
"	13 ..	10,00	1,111,36	164,35	10,84	72,12	63,98	311,29	22,35	1,455,01
"	20 ..	10,00	1,113,41	151,05	20,06	72,95	61,98	306,04	20,69	1,450,14
"	27 ..	10,00	1,105,81	152,78	24,00	77,75	60,97	315,51	28,67	1,459,99
November	3 ..	10,00	1,111,12	152,30	20,25	81,07	60,14	313,76	22,94	1,457,81
"	10 ..	10,00	1,127,18	148,62	19,45	67,91	60,87	296,85	21,60	1,455,64
"	17 ..	10,00	1,121,16	147,87	17,86	76,70	63,69	306,11	29,11	1,466,38
"	24 ..	10,00	1,113,78	149,63	18,13	81,78	61,93	311,48	36,70	1,471,96
December	1 ..	10,00	1,119,92	152,09	17,32	81,49	61,56	312,46	31,40	1,473,77
"	8 ..	10,00	1,140,26	149,62	12,96	73,79	60,09	296,47	25,75	1,472,47
"	15 ..	10,00	1,146,28	153,80	10,58	67,29	60,54	292,21	30,51	1,478,99
"	22 ..	10,00	1,151,21	159,93	13,06	56,82	60,75	290,56	25,68	1,477,44
"	29 ..	10,00	1,163,25	164,45	14,82	55,39	60,88	295,54	27,81	1,496,60
January	5 ..	10,00	1,174,93	162,70	10,53	57,07	58,92	289,22	26,30	1,500,45
"	12 ..	10,00	1,188,61	166,46	7,88	49,56	59,67	283,58	26,37	1,508,56
"	19 ..	10,00	1,189,90	169,60	14,61	52,07	60,47	286,75	26,71	1,513,36
"	26 ..	10,00	1,190,69	164,19	15,43	48,95	59,97	288,55	29,73	1,518,96
February	2 ..	10,00	1,202,37	163,92	17,31	47,81	60,81	289,84	29,62	1,531,83
"	9 ..	10,00	1,220,02	164,85	10,46	48,17	63,11	286,58	30,40	1,547,00
"	16 ..	10,00	1,220,97	166,11	10,12	54,33	63,19	293,75	30,37	1,555,09
"	23 ..	10,00	1,217,21	164,05	13,36	57,83	66,00	301,25	33,41	1,561,87
March	2 ..	10,00	1,222,32	170,59	14,31	54,51	70,74	310,15	28,55	1,571,01
"	9 ..	10,00	1,242,70	166,94	8,74	50,04	71,20	286,92	27,32	1,566,95
"	16 ..	10,00	1,244,35	149,22	26,56	56,60	73,34	305,73	36,98	1,599,65
"	23 ..	10,00	1,247,35	151,15	29,88	53,88	74,19	309,10	34,59	1,601,04
"	30 ..	10,00	1,247,41	162,04	26,40	59,28	72,31	320,03	34,82	1,612,27

† Include the balance of India notes retired from Pakistan and awaiting cancellation.

MENT 42

RESERVE BANK OF INDIA, 1950-51

Departments Combined)

paragraph 37)

(Lakhs of Rupees)

ASSETS

Gold Coin and Bullion§	Foreign Assets	Rupee Coin*	Notes	Rupee Securities	Loans and Advances to Govern- ments	Other Loans and Advances	Bills Purchased and Discounted	Other Assets
10	11	12	13	14	15	16	17	18
40,02	855,21	55,34	9,09	518,70	1,52	10,95	3,09	5,22
40,02	852,14	55,27	11,83	519,53	8,90	10,50	2,82	5,34
40,02	849,72	55,46	17,12	520,26	6,54	10,43	3,02	5,43
40,02	848,66	55,86	21,75	520,76	4,16	10,32	3,35	5,64
40,02	850,67	55,02	12,10	521,22	3,38	10,56	2,93	5,41
40,02	850,58	54,71	9,88	519,82	4,96	10,26	2,99	5,47
40,02	846,70	54,69	17,37	519,09	1,52	10,32	2,96	5,47
40,02	831,87	55,11	23,09	530,43	1,35	10,16	3,24	5,07
40,02	830,23	54,68	21,91	530,59	1,62	10,11	2,98	5,22
40,02	829,02	54,15	12,59	530,09	4,32	10,06	2,72	5,45
40,02	830,12	54,41	21,05	530,12	6,06	10,01	1,65	5,46
40,02	829,71	55,07	34,65	529,99	5,45	10,02	1,63	5,73
40,02	827,40	55,42	36,61	528,72	93	10,01	1,76	2,10
40,02	824,81	55,39	39,23	528,74	88	10,02	1,93	4,45
40,02	822,52	55,81	46,78	528,74	2,07	10,03	2,68	4,46
40,02	817,80	56,69	29,54	527,20	2,41	8,78	2,76	3,98
40,02	818,02	57,68	29,95	522,54	2,32	6,12	2,40	3,96
40,02	819,65	57,65	27,07	522,23	—	5,77	2,38	3,25
40,02	812,76	57,90	28,93	522,66	—	5,55	2,54	3,10
40,02	810,37	58,38	22,96	523,32	—	4,96	2,81	2,47
40,02	806,43	59,28	24,35	523,52	—	4,40	2,98	2,51
40,02	808,12	59,57	28,26	523,89	—	4,43	3,06	2,90
40,02	804,53	59,09	17,93	524,62	5	4,15	2,11	2,90
40,02	804,84	59,57	23,20	524,99	85	4,18	1,65	2,97
40,02	806,19	60,29	22,54	524,76	85	4,24	1,76	3,02
40,02	807,20	60,90	24,94	521,33	85	4,21	1,66	3,21
40,02	810,02	60,36	12,75	521,36	85	4,05	1,41	3,27
40,02	815,24	60,29	8,58	521,32	85	3,95	1,45	3,31
40,02	814,88	60,35	6,60	521,08	5	2,95	86	3,35
40,02	815,97	60,96	14,80	521,28	5	3,01	54	3,37
40,02	818,64	60,63	9,23	521,66	5	3,31	76	3,51
40,02	818,44	59,84	7,33	521,90	5	3,59	94	3,52
40,02	822,38	59,90	13,40	521,64	5	3,80	1,29	3,90
40,02	817,59	60,25	21,11	522,88	1,16	3,71	1,32	3,91
40,02	824,41	60,38	15,18	523,43	67	3,87	1,69	4,11
40,02	823,34	59,45	8,86	527,11	2,10	4,40	2,48	4,70
40,02	821,98	59,25	12,62	528,70	4,05	4,69	3,04	4,63
40,02	824,54	59,28	7,73	529,48	3,92	4,54	2,54	5,39
40,02	834,42	59,04	10,43	536,64	3,94	4,36	2,27	5,47
40,02	837,25	58,27	8,06	538,04	4,85	4,28	4,17	5,51
40,02	839,56	57,76	8,81	542,70	5,05	4,05	4,41	6,20
40,02	842,03	57,57	7,32	545,68	5,05	4,51	4,80	6,37
40,02	843,28	57,57	11,52	546,96	3,83	4,42	4,87	6,51
40,02	851,45	57,08	9,40	555,67	3,00	4,60	3,51	7,11
40,02	850,77	55,97	10,62	566,22	5,05	4,66	6,53	7,16
40,02	854,06	56,71	9,43	576,69	3,40	4,66	3,16	8,06
40,02	856,56	55,96	13,42	577,18	3,37	4,56	2,61	8,20
40,02	864,84	55,36	7,79	579,59	3,74	4,39	6,64	8,64
40,02	857,65	54,31	6,30	582,75	5,05	4,77	7,47	8,64
40,02	868,89	54,15	14,48	588,03	25	14,97	9,05	9,22
40,02	876,86	54,12	11,43	587,99	5	14,77	6,58	9,23
40,02	884,18	54,51	11,72	585,83	1,56	16,75	8,21	9,50

§ Valued at the statutory rate of Rs. 21-3-10 per tola.

* Includes one rupee notes and subsidiary coin.

STATE

LIABILITIES AND ASSETS OF THE RESERVE

(Issue and Banking

(Reference

		LIABILITIES									
Last Friday of		Capital and Reserves	Notes in Circulation	Deposits					Other Liabilities		
				Central Government	Other Governments	Banks	Others	Total			
1938-39	..	..	10,00	189,10	9,25	10,43	11,41	77	31,85	18,94	
1939-40	..	..	10,00	238,55	8,22	13,93	17,59	98	40,82	15,22	
1940-41	..	..	10,00	257,66	5,09	17,32	35,49	6,10	63,99	16,16	
1941-42	..	..	10,00	410,07	7,41	12,04	42,03	2,25	63,72	18,89	
1942-43	..	..	10,00	643,58	19,34	17,13	47,01	4,51	87,99	21,41	
1943-44	..	..	10,00	882,49	76,40	25,35	49,92	15,48	167,15	28,07	
1944-45	..	..	10,00	1,084,88	253,81	30,05	85,46	23,46	392,78	29,42	
1945-46	..	..	10,00	1,218,77	521,01	35,90	76,90	9,56	643,37	39,52	
1946-47	..	..	10,00	1,242,03	431,76	30,28	71,32	28,65	562,01	34,74	
1947-48	..	..	10,00	1,304,36	320,03	24,23	78,90	34,16	457,32	34,51	
1948-49	..	..	10,00	1,169,35	183,93	24,56	55,04	68,75	332,29	42,62	
1949-50	..	..	10,00	1,163,52	129,28	45,63	52,92	63,61	291,44	38,02	
1950-51	..	..	10,00	1,247,41	162,04	26,40	59,28	72,31	320,03	34,82	
April	1949	..	..	10,00	1,181,38	163,02	21,90	54,70	68,22	307,84	39,23
May	..	..	..	10,00	1,178,87	148,37	21,14	65,70	60,21	295,42	53,00
June	..	..	..	10,00	1,154,48	125,20	18,27	72,67	59,46	275,61	61,49
July	..	..	..	10,00	1,109,00	128,64	13,57	86,27	58,97	287,44	49,79
August	..	..	..	10,00	1,085,40	109,18	21,72	93,79	62,60	287,30	42,61
September	..	..	..	10,00	1,079,90	145,58	21,16	62,18	75,88	304,81	39,01
October	..	..	..	10,00	1,073,29	150,69	24,91	72,24	66,44	314,29	46,78
November	..	..	..	10,00	1,075,39	137,85	23,61	82,96	63,81	308,24	47,57
December	..	..	..	10,00	1,106,47	152,01	22,41	75,12	63,86	313,40	28,65
January	1950	..	..	10,00	1,126,14	154,63	21,97	57,70	62,27	296,57	29,81
February	..	..	..	10,00	1,142,45	147,07	31,44	56,00	61,75	296,26	32,81
March	..	..	..	10,00	1,163,52	129,28	45,63	52,92	63,61	291,44	38,02
April	1950	..	..	10,00	1,184,59	133,37	27,27	51,54	61,12	273,30	42,64
May	..	..	..	10,00	1,181,70	128,66	23,16	54,48	58,93	265,23	43,40
June	..	..	..	10,00	1,168,53	140,67	15,20	52,44	63,58	271,88	52,56
July	..	..	..	10,00	1,132,37	136,13	17,66	76,65	61,38	291,81	48,82
August	..	..	..	10,00	1,109,56	145,50	18,17	74,36	60,63	298,67	45,27
September	..	..	..	10,00	1,095,59	164,01	16,27	80,29	60,62	321,20	37,51
October	..	..	..	10,00	1,105,81	152,78	24,00	77,75	60,97	315,51	28,67
November	..	..	..	10,00	1,113,78	149,63	18,13	81,78	61,93	311,48	36,70
December	..	..	..	10,00	1,163,25	164,45	14,82	55,39	60,88	295,54	27,81
January	1951	..	..	10,00	1,190,69	164,19	15,43	48,95	59,97	288,55	29,73
February	..	..	..	10,00	1,217,21	164,05	13,36	57,83	66,00	301,25	33,41
March	..	..	..	10,00	1,247,41	162,04	26,40	59,28	72,31	320,03	34,82

Note.—Figures from 1938-39 to 1941-42 relate to India and Burma, from 1942-43 to 1947-48 to undivided India liabilities to the State Bank of Pakistan in respect of inscribed Pakistan notes issued between April and June 1948 and (ii) tary System and Reserve Bank) Order, 1947, as amended.

MENT 43

BANK OF INDIA SINCE 1938-39

Departments Combined)

paragraph 37)

(Lakhs of Rupees)

ASSETS									
Total Liabilities or Assets	Gold Coin and Bullion†	Foreign Assets‡	Rupee Coin*	Notes	Rupee Securities	Loans and Advances to Governments	Other Loans and Advances	Bills Purchased and Dis-counted	Other Assets
249,89	44,42	73,93	71,10	18,13	38,96	—	2	2,63	71
304,59	44,42	141,99	56,05	13,66	46,11	—	18	1,20	98
347,81	44,42	144,49	34,83	11,59	95,05	16,00	6	3	1,34
502,68	44,42	248,14	27,67	10,99	148,44	17,50	1	39	5,12
762,98	44,42	509,05	14,68	11,53	180,05	18	1	69	2,38
1,087,71	44,42	946,06	12,57	12,35	67,00	25	1,11	20	3,75
1,517,08	44,42	1,363,38	14,38	9,78	76,03	1,15	—	3,29	4,66
1,911,66	44,42	1,724,30	16,02	19,64	88,47	—	18	2,60	16,04
1,848,79	44,42	1,612,54	20,64	16,05	124,16	—	55	3,25	27,18
1,806,19	44,42	1,527,97	37,05	15,13	175,65	3	—	1,81	4,14
1,554,25	40,02	944,14	42,14	21,76	493,42	—	6,36	2,13	4,29
1,502,98	40,02	858,78	51,23	18,21	515,94	24	11,21	1,97	5,38
1,612,27	40,02	884,18	54,51	11,72	585,83	1,56	16,75	8,21	9,50
1,538,45	40,02	901,11	47,50	20,06	504,50	3,47	6,31	10,35	5,14
1,537,29	40,02	865,73	47,19	32,25	525,72	3,49	7,67	9,84	5,38
1,501,58	40,02	828,11	47,30	41,78	517,92	10,46	8,49	2,54	4,96
1,456,24	40,02	795,12	49,71	34,64	507,29	9,97	9,46	4,74	5,28
1,425,32	40,02	779,46	51,74	35,32	505,85	10	9,23	76	2,83
1,433,72	40,02	789,41	53,03	28,66	509,61	22	8,02	1,67	3,10
1,444,37	40,02	789,07	53,64	35,83	511,24	—	9,32	1,83	3,41
1,441,20	40,02	792,10	54,02	34,04	508,33	5	7,56	1,41	3,66
1,458,51	40,02	826,29	54,64	13,61	505,51	33	8,35	5,39	4,38
1,462,51	40,02	832,64	53,66	12,97	502,56	3,60	8,16	4,54	4,36
1,481,51	40,02	844,18	51,53	14,69	510,22	27	10,70	5,27	4,74
1,502,98	40,02	858,78	51,23	18,21	515,94	24	11,21	1,97	5,38
1,510,53	40,02	848,66	55,86	21,75	520,76	4,16	10,32	3,35	5,64
1,500,33	40,02	831,87	55,11	23,08	530,43	1,35	10,16	3,24	5,07
1,502,97	40,02	827,40	55,42	36,61	528,72	93	10,01	1,76	2,10
1,483,00	40,02	818,02	57,68	29,95	522,64	2,32	6,12	2,40	3,96
1,463,50	40,02	806,43	59,28	24,35	523,52	—	4,40	2,98	2,51
1,464,31	40,02	807,20	60,90	24,94	521,33	85	4,21	1,66	3,21
1,459,99	40,02	815,97	60,96	14,80	521,28	5	3,01	54	3,37
1,471,96	40,02	817,59	60,25	21,11	522,88	1,16	3,71	1,32	3,91
1,496,60	40,02	834,42	59,04	10,43	536,64	3,94	4,36	2,27	5,47
1,518,96	40,02	843,28	57,57	11,52	546,96	3,83	4,42	4,87	6,51
1,561,87	40,02	856,56	55,96	13,42	577,18	3,37	4,56	2,61	8,20
1,612,27	40,02	884,18	54,51	11,72	585,83	1,56	16,75	8,21	9,50

and thereafter to the Indian Union. Figures for the Indian Union are net of adjustments on account of (i) transfer of cancellation of India notes returned from circulation in Pakistan under Section 4(2) of Part IV of the Pakistan (Mone-

† Valued at the statutory rate of Rs. 21-3-10 per tola.

‡ Include cash and short-term securities.

* Includes subsidiary coin from 1938-39 and one rupee notes from 1940-41.

STATEMENT 44

INDEX NUMBERS OF SECURITY PRICES—ALL-INDIA

(Base : 1938=100)
(Compiled by the Department of Research and Statistics of the Reserve Bank of India)
(Reference paragraphs 29 & 39)

SUB-GROUP INDICES OF FIXED DIVIDEND AND SEMI-GOVERNMENT SECURITIES

Average of weeks	GROUP INDICES				SUB-GROUP INDICES OF FIXED DIVIDEND AND SEMI-GOVERNMENT SECURITIES					SUB-GROUP INDICES OF FIXED DIVIDEND INDUSTRIAL SECURITIES				
	Government and Semi-Government Securities	Industrial Securities	Fixed Dividend	Variable Dividend	Government of India	States	Municipal, Port and Improvement Trust	Electricity	Cotton	Jute	Coal	Iron & Steel	Sugar	Paper Plantations
1946-47	104.7	140.6	252.5		105	107	103	102	203	144	149	118	152	137
1947-48	103.3	120.2	181.5		103	104	102	85	185	125	133	100	129	127
1948-49	102.0	109.4	136.5		102	102	98	81	166	112	116	89	129	121
1949-50	101.2	101.9	115.4		101	99	97	80	151	95	109	90	112	104
1950-51	100.0	101.0	124.2		100	99	97	82	147	91	105	92	107	98
April 1949	101.4	106.5	120.9		101	102	98	78	157	107	117	90	125	119
May "	101.4	10.2	118.7		102	101	98	78	155	106	114	91	124	119
June "	101.4	104.8	112.9		102	100	98	80	153	104	112	90	124	108
July "	101.5	101.7	109.7		102	99	97	80	151	96	111	89	120	106
August "	101.4	99.9	112.2		102	99	97	80	151	90	109	90	112	104
September "	101.2	101.0	117.0		101	99	97	81	153	93	110	90	105	106
October "	101.1	100.4	116.9		101	99	97	82	152	91	108	89	105	107
November "	101.1	99.7	112.1		101	99	97	81	149	90	106	90	105	107
December "	101.2	100.4	115.9		101	99	97	81	148	91	107	90	106	110
January 1950	101.1	100.8	118.8		101	99	97	81	149	90	107	91	107	110
February "	101.0	100.3	116.3		101	99	97	81	149	90	107	90	107	112
March "	100.9	100.2	115.1		101	99	97	81	149	89	106	91	103	113
April "	100.8	100.1	115.3		101	99	97	81	149	88	106	92	102	112
May "	100.8	100.7	118.9		101	99	97	80	150	89	105	93	104	112
June "	100.8	101.2	117.9		101	99	97	81	149	90	103	93	106	115
July "	100.7	101.7	118.8		101	99	97	82	149	89	104	94	108	113
August "	100.6	102.4	126.0		101	99	97	82	149	92	104	95	108	112
September "	100.5	101.6	125.0		101	99	97	83	147	92	104	93	108	110
October "	100.3	100.6	124.2		100	99	97	83	146	93	103	90	108	109
November "	100.0	100.8	124.7		100	99	97	84	146	93	102	90	108	109
December "	99.2	100.3	126.7		99	99	96	83	144	91	103	90	108	111
January 1951	98.8	100.7	130.9		99	98	96	81	146	92	110	91	112	112
February "	98.7	100.7	129.8		99	98	96	81	146	92	110	91	109	112
March "	98.6	100.7	132.8		99	98	95	81	145	92	110	91	106	113

SUB-GROUP INDICES OF VARIABLE DIVIDEND INDUSTRIAL SECURITIES

Average of weeks	Banks	Insurance	Electric-Ship-			Plantations	Cotton,		Coal	Mining & Oil	Iron and Steel	General Engineering	Sugar	Bre- weries	Chem- icals	Paper	Cement
			Invest- ment	city & ping & Trust ways	ping & Trans- port		Woolen	Jute									
							Mills	Mills									
1946-47	195	292	297	137	295	105	284	437	275	196	278	324	219	332	282	367	208
1947-48	152	206	229	104	193	95	223	298	183	116	189	236	161	183	203	254	147
1948-49	133	159	193	87	144	90	157	202	112	82	150	192	138	117	176	125	134
1949-50	122	123	173	84	99	91	124	155	84	108	134	154	116	105	157	99	120
1950-51	123	124	163	89	94	92	153	158	93	121	160	176	101	102	173	114	136
April 1949	128	135	194	86	112	92	134	168	95	116	128	156	128	104	158	99	119
May	124	130	186	84	107	92	128	161	95	109	125	142	119	103	155	89	116
June	122	126	182	83	103	93	126	156	95	106	115	134	116	100	150	84	112
July	119	120	175	82	99	93	116	149	95	101	111	132	105	94	141	84	114
August	120	118	167	82	98	89	115	150	86	102	123	149	110	106	151	97	121
September	121	121	169	84	104	89	120	152	82	113	139	167	116	113	158	106	120
October	121	122	169	85	102	90	122	152	81	113	141	164	115	112	163	104	118
November	119	119	165	84	93	90	120	147	73	108	133	156	112	109	157	102	117
December	121	119	164	84	94	90	122	153	77	107	146	162	118	107	162	107	124
January 1950	123	122	170	86	94	90	127	158	78	107	155	167	122	107	163	109	133
February	121	122	166	85	92	90	128	154	75	105	152	163	119	104	162	106	126
March	120	122	164	85	89	89	128	157	72	104	147	159	114	100	161	105	127
April	119	123	162	85	89	89	129	156	74	105	144	161	112	99	159	108	127
May	121	125	163	86	87	91	143	156	83	112	148	165	111	101	164	118	129
June	121	125	164	85	85	90	145	153	81	112	146	162	110	96	164	122	128
July	122	124	165	85	88	90	144	151	88	113	151	164	109	97	172	107	130
August	127	123	168	87	100	92	156	156	100	120	167	168	113	103	179	109	138
September	125	125	164	89	96	94	152	154	99	124	169	162	119	105	174	108	139
October	124	125	161	90	92	94	149	154	96	124	153	180	89	101	170	108	140
November	123	125	162	91	91	95	150	156	96	124	156	180	88	102	171	108	140
December	123	127	163	92	96	94	154	159	96	123	161	184	93	103	174	100	143
January 1951	123	127	165	92	102	91	166	166	99	127	177	189	97	104	188	121	145
February	123	117	162	92	101	90	173	165	98	130	175	183	96	104	184	124	135
March	122	118	160	93	106	90	177	164	107	136	176	189	97	108	181	133	136

MONTHLY AND ANNUAL AVERAGE YIELDS AND ANNUAL HIGHEST AND LOWEST PRICES (IN BOMBAY)
OF GOVERNMENT OF INDIA SECURITIES, 1950-51

LOANS	<i>(average percentage)</i>															
	Monthly Average Yield, 1950-51								Annual Average Yield				1950-51			
	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	1950-51 1949-50		Highest Price	Lowest Price	% Yield
												%	%	Ras.	Ras.	%
...

LOANS	1950-51 1949-50												Highest Yield		Lowest Yield					
	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	%	Rs. as.	%	Rs. as.				
Under 5 years																				
21% 1950*	2.50	2.50	1.78	2.02	2.01	1.92	1.75	1.62	1.57	1.48	1.48	1.60	2.35	2.10	100	1	1.07	100	0	2.50
3 % 1951-54	2.19	2.19	2.18	2.46	2.46	2.45	2.43	2.41	2.42	2.43	2.46	2.44	2.45	2.50	101	4	2.12	100	9	1.77
3 % 1953-55	2.50	2.51	2.44	2.46	2.46	2.45	2.43	2.41	2.42	2.43	2.46	2.44	2.45	2.50	101	11	2.41	101	4	2.47
21% 1954	2.50	2.51	2.49	2.50	2.50	2.52	2.52	2.52	2.58	2.58	2.58	2.57	2.54	2.52	99	0	2.49	98	13	2.59
21% 1955	2.54	2.54	2.54	2.54	2.54	2.55	2.58	2.58	2.61	2.58	2.58	2.59	2.57	2.55	99	13	2.54	99	8	2.61
41% 1955-60	2.50	2.48	2.46	2.44	2.45	2.43	2.46	2.44	2.44	2.45	2.46	2.52	2.46	2.56	110	4	2.47	108	4	2.55
Between 5 and 10 years																				
3 % 1957	2.79	2.80	2.77	2.77	2.77	2.79	2.81	2.84	2.92	2.96	2.95	2.96	2.84	2.79	101	9	2.77	100	3	2.97
3 % 1959-61	2.86	2.87	2.85	2.87	2.89	2.92	2.94	2.97	3.02	3.05	3.08	3.12	2.93	2.88	101	5	2.84	98	13	3.13
21% 1960	2.81	2.81	2.81	2.82	2.83	2.84	2.86	2.88	2.93	3.05	3.15	3.19	2.92	2.81	99	9	2.80	96	7	3.20
4 % 1960-70	2.87	2.88	2.91	2.91	2.91	2.93	2.93	2.94	2.93	2.9	2.98	3.00	2.93	2.90	110	2	2.87	108	3	3.00
Between 10 and 15 years																				
21% 1961	2.81	2.83	2.81	2.81	2.83	2.84	2.85	2.87	2.91	3.00	3.12	3.15	2.90	2.84	97	1	2.80	94	4	3.16
21% 1962	2.83	2.83	2.84	2.84	2.85	2.86	2.86	2.89	2.92	3.06	3.19	3.22	2.93	2.83	99	4	2.82	95	7	3.23
3 % 1963-65	2.97	2.97	2.98	2.99	3.01	3.02	3.04	3.07	3.16	3.20	3.23	3.26	3.08	2.97	100	7	2.96	97	0	3.27
3 % 1964†	3.00	3.00	3.00	3.02	3.02	3.03	3.04	3.07	3.15	3.19	3.24	3.25	3.10		100	0	3.00	97	3	3.27
Between 15 and 20 years																				
3 % 1966-68	3.00	3.00	3.00	3.01	3.02	3.03	3.05	3.08	3.14	3.20	3.25	3.29	3.09	2.99	100	2	2.89	95	13	3.32
3 % 1970-75	3.00	3.01	3.01	3.02	3.03	3.04	3.05	3.09	3.16	3.22	3.27	3.31	3.10	3.00	100	0	3.00	94	10	3.32
Over 20 years																				
21% 1976	2.99	3.00	3.00	3.00	3.00	3.00	3.00	3.02	3.09	3.14	3.20	3.24	3.06	2.97	95	12	2.98	91	0	3.27
3 % Conversion Loan 1986 or later**	3.09	3.09	3.08	3.09	3.10	3.11	3.13	3.16	3.22	3.23	3.23	3.23	3.15	3.07	97	7	3.08	92	14	3.23
3 % Rupee Paper**	3.09	3.10	3.08	3.09	3.10	3.11	3.12	3.15	3.21	3.23	3.23	3.23	3.15	3.07	97	7	3.08	93	0	3.23
Rupee Counterparts																				
31% 1954-59	2.55	2.57	2.54	2.52	2.52	2.50	2.48	2.48	2.47	2.47	2.50	2.52	2.51	2.56	104	6	2.51	103	8	2.53
31% 1954-59	2.76	2.76	2.75	2.74	2.72	2.71	2.70	2.70	2.68	2.69	2.72	2.73	2.72	2.72	112	10	2.76	111	8	2.74
41% 1958-68																				
Note.—Income-tax is neglected in calculating yields. Yield to redemption. The earlier or later date is taken according as the price is above or below par. * Redeemed on 16 July 1950. † Negative Yield. ‡ Issued on 19 June 1950. ** Flat Yield.																				

Note.—Income-tax is neglected in calculating yields. Yield to redemption. The earlier of later date is taken.

below par.

STATEMENT 46

PRICES IN BOMBAY OF GOVERNMENT OF INDIA SECURITIES, 1950-51

(Reference paragraph 38)

END OF

LOANS

	March 1946	March 1947	March 1948	March 1949	April 1950	May 1950	June 1950	July 1950	August 1950	Sept. 1950	Oct. 1950	Nov. 1950	Dec. 1950	Jan. 1951	Feb. 1951	Mar. 1951
Rs. a. Rs. a. Rs. a. Rs. a. Rs. a. Rs. a. Rs. a. Rs. a. Rs. a. Rs. a. Rs. a. Rs. a. Rs. a. Rs. a. Rs. a. Rs. a.																
<i>Terminals</i>																
3 % 1951-54 ..	102	1 102	4 102	2 101	2 101	4 101	0 101	1 101	2 101	1 101	1 101	2 101	2 101	1 100	14 100	12 100
3 % 1953-55 ..	102	4 102	10 101	15 101	7 101	11 101	7 101	9 101	10 101	8 101	8 101	8 101	8 101	7 101	4 101	4 101
2½% 1954 ..	99	4 98	10 98	6 98	15 98	14 98	15 99	0 99	0 99	0 98	14 98	13 98	13 98	13 98	13 98	14 98
2½% 1955 ..	99	10 99	14 99	13 99	13 99	13 99	13 99	13 99	13 99	13 99	13 99	13 99	13 99	13 99	13 99	10 99
4½% 1955-60 ..	117	10 116	4 113	4 111	8 110	4 110	0 110	0 110	14 109	12 109	8 109	5 109	5 109	2 108	12 108	8 108
3 % 1957 ..	102	4 102	8 101	2 101	1 101	10 101	4 101	7 101	8 101	5 101	4 101	2 100	14 100	6 100	4 100	3 100
3 % 1959-61 ..	102	8 101	2 100	12 101	5 101	0 101	2 101	1 100	12 100	9 100	7 100	0 99	11 99	8 99	0 98	13
2½% 1960 ..	100	1 100	5 99	0 99	7 99	9 99	7 99	8 99	6 99	5 99	2 99	1 98	11 98	6 97	0 96	7
4 % 1960-70 ..	114	8 114	0 111	12 110	6 110	2 110	0 109	14 109	9 109	8 109	2 109	0 109	0 109	0 108	8 108	6 108
2½% 1961 ..	98	13 98	12 96	8 97	1 96	14 96	15 97	1 97	1 96	14 96	13 96	12 96	7 96	2 94	14 94	6 94
2½% 1962 ..	99	0 99	0 99	4 99	3 99	2 99	1 99	0 98	15 98	14 98	13 98	7 98	2 96	4 95	8 95	7
3 % 1963-65 ..	101	15 102	8 100	0 99	15 100	7 100	4 100	7 100	1 100	1 99	13 99	11 99	6 98	12 97	15 97	2 97
3 % 1964 ..	99	15 99	0 99	12 99	10 99	7 98	15 98	0 99	12 99	10 99	7 98	15 98	0 97	12 97	5 97	3
3 % 1966-68 ..	101	13 102	6 99	14 99	15 100	5 99	15 100	2 99	13 99	14 99	11 99	9 99	4 98	9 97	12 97	0 96
3 % 1970-75 ..	101	13 102	4 99	4 100	0 100	0 100	0 100	0 100	13 99	14 99	10 99	8 99	4 98	14 97	14 96	0 94
2½% 1976 ..	101	2 98	8 96	8 95	12 95	8 95	8 95	8 95	8 95	8 95	8 95	8 94	4 93	12 93	6 92	0 91

Non-Terminals

3% Rupee Paper 100	10	101	10	97	14	97	0	97	0	97	0	97	2	97	4	97	1	96	8	96	8	96	4	93	4	93	0	93	0	93	0	
3% 1986 or later	101	5	97	14	97	15	97	0	96	14	97	5	97	1	97	1	96	9	96	4	95	14	93	12	93	1	93	0	93	2	92	14

Rupee Counterparts

3½% 1951-59 ..	105	12	105	6	105	6	104	10	104	6	104	9	104	1	104	0	104	0	104	0	104	9	103	15	103	14	103	12	103	8	103	8
4½% 1958-68 ..	119	6	118	4	116	4	114	14	112	10	112	8	112	8	112	6	112	6	112	6	112	4	112	4	112	4	112	4	111	12	111	8

STATEMENT 47

PRICES OF REPRESENTATIVE INDUSTRIAL SHARES, 1950-51

(Reference paragraph 39)

SCRIPS	END OF										Percentage variation of 6 over 1	Percentage variation of 6 over 2
	1950						1950-51					
	June 1949	March 1950	June 1950	September 1950	December 1950	March 1951	Highest	Lowest				
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	9	10	
Steels :												
Tata Deferred	1,152 8	1,600 0	1,650 0	1,716 4	1,917 8	1,977 8	2,007 8	1,575 0		+ 71.6	+ 23.6	
Tata Ordinary	238 8	316 8	324 12	327 8	367 0	371 0	378 4	310 8		+ 55.6	+ 17.2	
Bengal Steel	13 2	19 12	20 10	22 10	24 14	26 4	26 8	19 10		+ 73.6	+ 29.9	
Indian Iron	19 5	28 4	29 11	32 6	34 4	36 11	37 1	27 14		+ 90.0		
Textiles :												
Bombay Dyeing	923 12	1,041 4	953 12	920 0	1,060 0	481 4	1,073 12	471 14		- 47.9†	- 53.8†	
Kohinoor	232 4	313 8	294 0	308 8	350 0	351 0	357 8	285 0		+ 51.1	+ 12.0	
Swadeshi	254 8	270 0	245 8	263 8	319 0	311 0	322 8	242 8		+ 22.2	+ 5.5	
Buckingham	124 8	136 8	135 0	141 8	147 12	144 0	152 8	133 8		+ 15.7		
Banks & Insurance :												
India	176 0	168 8	178 0	179 0	179 0	184 8	189 0	164 0		+ 4.8	+ 9.5	
Central	75 0	81 8	82 4	83 8	80 4	78 8	82 2	77 0		+ 4.7	+ 3.7	
Imperial	1,762 8	1,782 8	1,840 0	2,005 8	1,985 0	1,947 8	2,085 0	1,770 0		+ 10.5	+ 9.3	
Oriental	4,080 0	4,720 0	4,870 0	4,960 0	4,315 0	4,525 0	4,960 0	4,275 0		+ 12.5	+ 4.1	
New India	53 8	55 0	63 8	68 4	67 12	49 12	70 4	44 12		- 7.0†	- 9.6†	
Jute :												
Anglo-India	283 4	185 0	231 1	304 0	293 0	373 0	376 0	187 0		+ 31.7	+ 101.6	
Howrah	27 1	25 0	29 12	34 11	36 2	42 12	43 2	25 4		+ 53.0	+ 71.0	
Coal :												
Bengal	356 0	510 0*	510 0	531 0	562 0	603 8	603 8	497 0		+ 69.5	+ 18.3	
Burrakur	10 2	12 1	13 8	13 15	15 0	16 14	16 14	11 11		+ 66.6	+ 39.9	
Tea :												
Haimara	44 8	34 8*	42 9	40 0	41 2	44 0	45 0	33 14		- 1.1	+ 27.5	
Parakola	252 0	193 8*	201 12	242 0	238 8	240 0	244 0	183 0		- 4.8	+ 24.0	
Miscellaneous :												
Carew Sugar	6 12	7 8	8 2	8 12	10 2	9 12	10 4	7 4		+ 44.5	+ 30.0	
Belapur Sugar	169 0	224 8	223 0	263 8	290 0	268 8	298 0	218 0		+ 58.9	+ 19.6	
Chembra Peak	4 3	5 0	5 5	5 11	5 5	5 1	5 13	4 15		+ 21.0	+ 1.2	
Cochin Malabar	3 10	4 9	5 5	6 13	8 10	10 12	11 6	4 9		+ 196.6	+ 135.8	
Associated Cement	128 4	152 4	154 0	165 12	178 4	165 0	180 0	150 8		+ 28.7	+ 8.4	
Companies												
Fertilisers and	3 1	5 2	5 13	6 6	7 10	7 4	8 3	5 2		+ 136.9	+ 41.5	
Chemicals, Travancore	12 15	13 4	11 9	13 6	16 14	16 14	18 14	10 5		+ 30.5	+ 27.4	
Scindia Steam												

* Nominal quotations ; minimum prices fixed by the Calcutta Stock Exchange

† The high percentage fall is mainly due to issue of bonus shares.

Association.

STATEMENT 48

CONTROL OF CAPITAL ISSUES, 1950

(Reference paragraph 40)

Classification	Immediate Schemes		Long-Range Schemes		(Amount in Crores of Rupees)	
	Number of companies	Amount sanctioned	Number of companies	Amount sanctioned	Number of companies	Amount sanctioned
I. Industrial	139	46.44	22	13.25	161	59.68
II. Agricultural	11	0.52	—	—	11	0.52
III. Financial	42	5.95	—	—	42	5.95
IV. Trade and Transport	41	6.40	2	1.45	43	7.85
V. Other Services	5	0.50	1	0.25	6	0.75
VI. Total Non-Industrial	99	13.37	3	1.70	102	15.07
Total for 1950 (Industrial and Non-Industrial)	238	59.81	25	14.95	263	74.75
Grand Total from 17 May 1943 to 31 December 1950*	5,480	592.62	753	432.24	6,233	1,024.85

* Figures relate to undivided India upto 15 August 1947.

STATEMENT 49

CONTROL OF CAPITAL ISSUES

(Reference paragraph 40)

CLASSIFICATION	17-5-1943 to 30-9-1945		1-10-1945 to 31-3-1947		1-4-1947 to 31-3-1948		1-4-1948 to 31-3-1949		1-4-1949 to 31-12-1949		1-1-1950 to 31-12-1950	
	N.	A.	N.	A.	N.	A.	N.	A.	N.	A.	N.	A.
(A) Percentage Distribution, Group-Wise, of Immediate and Long-Range Schemes Combined												
I. Industrial ..	..	46.07	61.26	60.25	59.18	65.49	56.75	63.38	54.78	60.79	61.22	79.84
II. Agricultural ..	..	7.21	5.42	6.58	3.16	5.40	1.70	2.87	3.25	2.64	4.18	0.70
III. Financial ..	..	13.45	19.50	16.34	11.38	15.26	19.09	21.56	16.90	21.59	15.97	7.95
IV. Trade and Transport ..	..	23.11	10.57	11.23	21.07	10.33	21.02	10.62	19.59	13.66	16.35	10.50
V. Other Services ..	..	7.56	3.25	5.40	6.01	3.52	1.44	2.59	5.48	1.32	0.39	1.00
VI. Total Non-Industrial ..	..	53.33	38.74	39.75	40.82	34.51	43.25	37.64	45.22	39.21	38.78	20.16
VII. Grand Total — Industrial and Non-Industrial ..	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
(B) Percentage Distribution in each Group Between Immediate and Long-Range Schemes												
I. INDUSTRIAL :												
Immediate ..	..	87.77	48.53	56.72	34.67	85.66	62.62	52.95	69.18	96.38	86.34	77.80
Long-Range ..	..	12.23	51.47	43.28	65.33	14.34	37.38	17.05	30.82	3.62	13.66	22.20
II. AGRICULTURAL :												
Immediate ..	..	99.63	98.94	91.03	77.62	95.65	82.73	100.00	100.00	100.00	100.00	100.00
Long-Range ..	..	0.37	1.06	8.97	22.38	4.35	17.27	—	—	—	—	—
III. FINANCIAL :												
Immediate ..	..	98.82	96.95	90.31	71.49	95.38	93.09	97.30	97.09	100.00	100.00	100.00
Long-Range ..	..	1.18	3.05	9.69	28.51	4.62	6.91	2.70	2.91	—	—	—
IV. TRADE AND TRANSPORT :												
Immediate ..	..	98.63	69.24	82.71	41.38	81.82	30.24	84.21	35.48	100.00	95.35	81.53
Long-Range ..	..	1.37	30.76	17.29	58.62	18.18	69.76	15.79	64.52	—	4.65	18.47
V. OTHER SERVICES :												
Immediate ..	..	90.15	74.03	71.88	48.48	93.33	93.73	77.78	14.36	100.00	83.33	66.69
Long-Range ..	..	9.85	25.97	28.12	51.52	6.67	4.27	22.22	85.64	—	16.67	33.31
VI. TOTAL NON-INDUSTRIAL :												
Immediate ..	..	98.46	87.75	85.77	53.59	91.16	62.23	92.37	60.58	100.00	97.06	88.72
Long-Range ..	..	1.54	12.25	14.23	46.41	8.84	37.77	7.63	39.42	—	2.94	11.28
VII. GRAND TOTAL — INDUSTRIAL AND NON-INDUSTRIAL :												
Immediate ..	..	93.47	63.72	68.27	42.40	87.56	62.45	86.49	65.29	97.80	88.92	80.01
Long-Range ..	..	6.53	36.28	31.73	57.60	12.44	37.55	13.51	34.71	2.20	11.08	19.99

A—Amount sanctioned.

N—Number of companies.

STATEMENT 50

IMPORTANT HEADS OF REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA

(Reference paragraphs 42 & 45)

(Crores of Rupees)

1951-52 Budget

	1938-39	1948-49*	1949-50*	1950-51		As presented to Parliament		As passed by Parliament
				Budget	Revised	On the basis of existing taxation	Including effects of new taxation	
I. Heads of Revenue								
Customs ..	40.51	126.16	121.71	106.54	145.31	141.29	150.04	156.04
Central Excise Duties ..	8.66	50.63	67.85	71.50	69.68	71.63	84.78	79.62
Corporation Tax ..	2.04	62.26	39.53	38.10	38.92	30.48	32.73	32.73
(Excess Profits Tax) ..	—	(14.38)	(3.98)	(5.52)	(5.52)	(2.51)	(2.51)	(2.51)
Taxes on Income other than Corporation Tax† ..	15.24	119.50	121.59	128.68	127.88	126.57	132.57	132.22
(Excess Profits Tax) ..	—	(8.11)	(3.46)	(4.04)	(4.05)	(3.54)	(3.54)	(3.54)
Currency and Mint ..	0.58	12.33	11.22	9.52	12.87	12.32	12.32	12.32
(Profits of the Reserve Bank) ..	(0.20)	(..)	(..)	(7.50)	(9.91)	(9.50)	(9.50)	(9.50)
Net Contribution to General Revenues :								
Railways ..	1.37	7.34	7.00	6.37	6.76	7.26	7.26	7.26
Posts and Telegraphs ..	0.19	2.36	2.38	4.04	3.07	2.00	2.00	2.33
Total Tax Revenue† ..	75.40	361.73	357.28	350.04	387.95	376.48	407.63	408.12
Percentage of Taxes on Income‡ to Total Tax Revenue ..	22.9	50.2	45.1	47.7	43.0	41.7	40.6	40.
Total Revenue ..	84.47	371.70	350.39	338.59	387.21	369.89	401.04	401.89
II. Heads of Expenditure								
Direct Demands on Revenue ..	4.24	8.62	13.90	13.81	13.34	14.58		14.35
Irrigation ..	0.10	0.06	0.08	0.23	0.22	0.27		0.27
Debt Services** ..	14.12	42.53	39.43	36.50	36.46	37.32		37.32
Civil Administration ..	10.90	35.56	39.30	50.06	52.75	56.02		54.29
Currency and Mint ..	0.36	2.13	2.08	1.76	2.65	2.66		2.61
Civil Works, etc. ..	2.52	6.61	6.53	9.97	10.88	13.38		13.31
Miscellaneous ..	3.03	56.89	52.44	38.70	61.58	42.03		44.60
Defence Services (Net) ..	46.18	146.05	148.86	168.01	179.47	180.02		180.02
Contributions and Miscellaneous Adjustments between Union and State Governments ..	3.06	2.96	2.96	15.41	15.72	15.43		15.43
Extraordinary Items ..	0.01	19.45	11.54	3.44	6.21	13.72		13.59
Total Expenditure met from Revenue ..	85.11	320.86	317.12	337.88	379.28	375.43	375.43	375.79
Surplus (+) or Deficit (—) ..	—0.64	+50.84	+33.27	+0.71	+7.93	—5.54	+25.61	+26.10

Note.—Figures for 1938-39 relate to undivided India. * Accounts are provisional. † Including States' share. ‡ Including corporation tax. ** Include appropriation for reduction or avoidance of debt.

STATE

INDIA'S PUBLIC REVENUE,

(Reference)

	1938-39	1939-40	1940-41	1941-42	1942-43
CENTRAL GOVERNMENT					
I.—REVENUE ACCOUNT					
A.—(1) Revenue	84.47	94.57	107.65	134.56	177.09
(2) Tax Revenue	73.90	80.67	77.14	97.92	124.89
(3) (2) as percentage of (1)	87.5	85.3	71.7	72.8	70.5
(4) Non-Tax Revenue	10.57	13.90	30.51	36.65	52.20
B.—(1) Expenditure	85.11	94.57	114.18	147.26	288.87
(2) Defence, on Revenue Account (Net)	46.18	49.54	73.61	103.93	214.62
(3) (2) as percentage of (1)	54.3	52.4	64.5	70.6	74.3
(4) Civil Expenditure	38.93	45.03	40.57	43.33	74.25
C.—Surplus (+) or Deficit (—)	— 0.64	—	— 6.53	—12.70	—111.78
II.—CAPITAL ACCOUNT					
A.—Receipts					
Permanent Debt (Net)	—	—	28.56	—	16.04
Other Debt (Net)	17.83	19.25	13.95	70.38	199.20
Repayment of Loans and Advances granted by Central Government (Net)	2.53	2.15	1.81	3.16	7.06
B.—Disbursements					
Recoverable War Expenditure	—	4.00	53.00	194.00	325.48
Capital Outlay outside the Revenue Account	9.07	4.62	6.93	0.99	78.12
Redemption of Permanent Debt (Net)	3.24	13.56	—	97.99	—
Repayment of other Debt (Net)	—	—	—	—	—
Loans and Advances by Central Government (Net)	—	—	—	—	—
C.—Surplus (+) or Deficit (—)	+ 8.05	+ 3.22	+37.39	—25.44	+144.18
III.—MISCELLANEOUS* (Net)	— 5.58	+ 0.26	— 32.80	+39.40	— 30.10
IV.—OVERALL SURPLUS (+) OR DEFICIT(—)	+ 1.83	+ 3.48	— 1.94	+ 1.29	+ 2.29
V.—CASH BALANCE					
Opening	11.31	13.14	16.62	14.68	15.94
Closing	13.14	16.62	14.68	15.94	18.23
VI.—CENTRAL GOVERNMENT DEBT AT THE END OF THE YEAR†					
(1) Sterling Debt‡	464.94	439.10	341.11	206.93	50.56
(2) Rupee Loans	437.87	450.23	574.55	611.85	748.74
(3) Small Savings**	141.45	135.35	108.79	95.56	92.77
(4) Treasury Bills, Ways and Means Advances and TDRs.	46.30	54.70	84.90	136.98	264.70
(5) Total Interest-Bearing Obligations (including unfunded debt and deposits)	1,205.76	1,203.86	1,247.67	1,209.21	1,353.13
PART A STATES					
(1) Revenue	84.74	90.83	97.48	107.41	124.31
(2) Expenditure met from Revenue	85.76	89.22	95.18	103.48	118.18
(3) Surplus (+) or Deficit (—)	— 1.02	+ 1.61	+2.30	+ 3.93	+ 6.13
(4) Debt Position (Gross Total Debt)‡‡	163.20	167.61	169.91	169.15	170.26

Note.—Figures upto and including 1940-47 relate to undivided India and later figures relate to the Indian Union.

* Includes Miscellaneous Deposits and Advances, Remittances and others. † Items (1) and (5): Capital portion of Railway Annuities is excluded from 1942-43. ‡ Excludes Unfunded Debt. ** Include since 1944-45 (1) Post Office Cash Certificates, (2) Savings Bank Deposits, (3) Defence Savings Certificates, (4) Defence Savings Bank Deposits and (5) National Savings Certificates. ‡‡ Includes (1) Permanent Debt, (2) Floating Debt, (3) Loans from Central Government, and (4) Unfunded Debt.

MENT 51

EXPENDITURE AND DEBT

paragraphs 42 & 61)

(Crores of Rupee)

1943-44	1944-45	1945-46	1946-47	1947-48* Revised	1948-49†	1949-50†	1950-51 Revised	1951-52 Budget‡
249·96	335·70	361·19	342·89	178·77	371·70	350·39	387·21	401·89
171·15	253·90	282·14	274·46	162·05	319·94	311·54	340·27	360·59
68·5	75·6	78·1	80·0	90·7	86·1	88·9	87·9	89·7
78·80	81·81	79·05	68·43	16·72	51·76	38·85	46·94	41·30
439·86	496·25	484·61	343·49	185·29	320·86	317·12	379·28	375·79
358·40	395·49	360·23	207·37	86·63	146·05	148·86	179·47	180·02
81·5	79·7	74·3	60·4	46·8	46·5	46·9	47·3	47·9
81·46	100·76	124·38	136·12	98·66	174·81	168·26	199·81	195·77
-189·90	-160·55	-123·43	- 0·60	- 6·52	+ 50·84	+ 33·27	+ 7·93	+26·10
240·01	203·11	275·94	38·06	—	—	—	—	14·13
9·12	293·74	169·81	125·84	—	317·71	124·14	77·35	51·25
14·92	22·38	16·82	—	—	—	—	—	—
377·87	410·84	374·54	51·62	—	—	—	—	—
64·61	81·73	57·46	208·74	56·89	408·99	120·30	78·45	75·32
—	—	—	—	18·62	47·54	28·32	8·03	—
—	—	—	—	37·51	—	—	—	—
—	—	—	12·15	20·39	28·66	55·57	57·84	67·89
+199·54	+437·51	+405·11	- 56·99	-133·41	-167·48	- 80·05	- 66·97	- 77·83
+ 55·78	- 94·35	- 18·43	- 53·99	+ 29·25	+ 34·97	+ 2·98	+ 4·98	- 0·15
+ 65·43	+182·62	+263·25	-111·58	-110·68	- 81·67	- 43·80	- 54·06	- 51·88
18·23	83·66	266·28	529·53	270·30	273·90	193·28	149·48	95·42
83·66	266·28	529·53	417·95	159·62	102·23	149·48	95·42	43·54
34·70	34·19	33·84	32·84	26·42	24·01	23·35	21·97	21·94
1,006·55	1,212·14	1,492·20	1,529·73	1,517·09	1,478·39	1,452·15	1,438·46	1,451·73
118·47	159·18	221·52	273·20	233·10	271·73	293·80	326·25	357·11
110·61	86·70	83·33	79·20	86·84	373·33	361·48	373·20	373·20
1,532·47	1,860·44	2,282·38	2,359·36	2,162·34	2,440·27	2,499·64	2,550·54	2,578·87
163·31	208·18	229·33	238·80	202·77††	258·21	291·31	296·58	308·81
153·85	204·28	218·14	230·09	194·19††	250·82	287·29	301·96	311·61
+ 9·46	+ 3·90	+ 11·19	+ 8·71	+ 8·58††	+ 7·39	+4·02	- 5·38	- 2·80
196·28	174·35	162·97	157·79	118·14	142·92	186·24	254·29	..

* From 15 August 1947 to 31 March 1948.

† Accounts of the Central Government not finalised.

‡ As passed by Parliament.

†† Accounts for the full year except for West Bengal and the Punjab.

STATEMENT 52

BUDGETARY POSITION OF PART A STATES

(Reference paragraphs 42 & 47)

(Reference paragraphs 15 & 16)

(Lakhs of Rupees)

EXPENDITURE

REVENUE

States	Customs and Income Tax*	Land Revenue	Sales Tax	Excise	Stamps	Total Tax Revenue	Total Revenue	Direct Demands on Revenue	Irrigation	Debt Services**	Security Services†	Social Services††	Total Expenditure	Surplus (+) or Deficit (-)	Debt outstanding on 31 March
Assam															
1938-39 (Accounts)	15	1,13	—	35	18	2,03	2,58	36	1	34	81	71	2,99	—	41
1947-48 (Accounts)	1,73	1,76	—	82	18	5,49	6,62	69	9	10	1,52	1,49	6,85	—	23
1948-49 (Accounts)	2,32	1,68	24	95	18	6,39	9,24	72	10	10	1,89	1,68	9,56	—	32
1949-50 (Accounts)	2,59	1,71	49	88	18	6,96	10,30	81	9	16	1,87	2,70	9,94	—	36
1950-51 (Revised)	2,12	1,36	48	85	18	6,01	9,86	84	9	13	1,89	3,03	9,94	—	8
1951-52 (Budget)	2,08	1,68	49	79	19	6,41	9,62	92	9	14	2,60	3,47	10,60	—	98
Bihar															
1938-39 (Accounts)	32	1,32	—	1,20	1,05	4,10	5,24	38	15	6	2,05	1,36	4,93	—	31
1947-48 (Accounts)	4,43	1,39	1,06	4,66	2,06	14,60	18,50	87	29	6	5,64	3,82	16,80	—	1,70
1948-49 (Accounts)	6,74	1,40	2,33	4,85	2,21	18,87	23,10	1,18	1,22	5	6,86	4,44	21,76	—	2,21
1949-50 (Accounts)	6,83	1,42	2,58	4,99	2,40	21,09	25,95	1,71	1,79	2	7,52	7,72	25,80	—	15
1950-51 (Revised)	6,33	1,45	3,60	4,99	2,35	20,90	27,63	1,62	1,60	7	7,90	7,88	27,08	—	65
1951-52 (Budget)	5,97	1,44	2,51	5,06	2,31	19,59	35,97	1,56	1,52	15	7,72	7,79	31,13	—	4,84
Bombay															
1938-39 (Accounts)	30	3,55	—	2,90	1,44	9,83	12,45	1,77	51	1,26	3,16	2,99	12,80	—	35
1947-48 (Accounts)	6,25	3,66	4,66	8,54	3,46	34,46	43,73	3,95	75	3,65	10,84	12,17	41,33	—	2,40
1948-49 (Accounts)	9,98	3,73	6,76	6,17	3,43	39,17	49,91	4,32	1,26	3,49	14,19	15,52	47,06	—	2,85
1949-50 (Accounts)	9,61	5,59	13,23	4,09	3,58	48,58	61,53	5,96	1,23	1,07	21,72	20,85	61,52	—	1
1950-51 (Revised)	9,95	6,77	14,96	1,20	3,97	50,10	65,64	6,06	2,78	1,45	20,60	22,96	65,67	—	3
1951-52 (Budget)	9,34	6,61	12,35	1,05	4,26	46,03	60,64	5,19	3,27	1,38	19,12	20,46	60,60	—	4
Madhya Pradesh															
1938-39 (Accounts)	8	2,12	—	64	37	3,80	4,27	65	25	—	1,63	97	4,71	—	44
1947-48 (Accounts)	1,78	2,35	62	1,99	71	9,80	12,25	1,39	19	33	3,78	2,08	11,36	—	89
1948-49 (Accounts)	2,81	3,43	1,43	2,19	82	13,03	17,38	1,63	18	2	4,59	3,96	16,60	—	78
1949-50 (Accounts)	2,74	3,65	1,99	2,24	89	15,39	19,60	1,91	13	42	5,13	4,61	19,26	—	34
1950-51 (Revised)	2,84	3,51	2,17	2,10	92	15,39	19,04	2,22	24	35	4,77	5,15	17,54	—	1,50
1951-52 (Budget)	2,67	4,05	1,30	2,15	92	16,12	20,45	2,31	65	89	6,13	6,01	20,31	—	14
Madras															
1938-39 (Accounts)	23	5,13	—	3,72	1,72	12,44	16,13	2,07	1,28	—	5,72	4,63	16,10	—	3
1947-48 (Accounts)	5,35	5,30	8,31	10,69	3,35	39,29	50,71	4,28	2,07	78	13,70	14,38	50,69	—	2
1948-49 (Accounts)	8,42	4,98	13,03	3,67	4,06	40,58	53,33	4,80	2,52	—	16,10	15,96	52,33	—	6
1949-50 (Accounts)	8,23	5,55	15,24	59	4,33	42,42	55,39	5,08	2,74	—	17,25	18,07	55,54	—	35
1950-51 (Revised)	8,29	6,22	15,75	50	4,66	44,64	59,70	5,23	3,13	—	17,55	20,80	59,07	—	67
1951-52 (Budget)	7,78	7,17	15,10	36	4,64	44,34	59,63	5,48	3,04	—	17,89	22,22	60,30	—	..

(Lakhs of Rupees)

Orissa

1938-39 (Accounts)	4	46	—	33	18	1.10	1.82	18	1.3	1	61	44	1.81	+	1	31
1947-48 (Accounts)	95	50	6	1,35	28	3.46	6.04	41	51	19	1.49	1.88	5.84	+	20	91
1948-49 (Accounts)	1.45	51	30	1.36	35	6.47	10.82	48	64	15	1.14	2.55	7.34	—	1.14	2.44
1949-50 (Accounts)	1.50	98	62	1.82	55	6.47	10.82	76	70	20	3.16	3.32	11.47	—	65	6.70
1950-51 (Revised)	1.53	1.09	75	1.76	62	6.98	11.32	89	1.26	9	3.45	3.86	13.26	—	1.94	11.59
1951-52 (Budget)	1.48	1.07	70	1.71	62	6.89	10.56	90	1.07	16	3.30	3.34	11.51	—	95	

Punjab†

1938-39 (Accounts)	12	2.64	—	1.02	78	5.02	11.36	86	1.50	—	21	3.31	3.22	11.61	—	25	34.52
1947-48 (Accounts)	1.49	79	21	1.02	22	4.12	7.45	52	49	—	53	2.51	1.72	9.31	—	1.86	4.76
1948-49 (Accounts)	2.09	1.37	27	2.38	52	7.67	18.08	1.14	68	—	64	5.01	3.68	16.89	—	1.18	20.83
1949-50 (Accounts)	2.29	1.76	1.39	2.32	46	9.36	16.95	1.20	86	—	27	5.23	3.87	16.12	—	83	34.54
1950-51 (Revised)	2.61	1.78	1.70	2.00	69	10.16	16.65	1.38	1.02	17	5.10	4.18	16.31	—	34	49.11	
1951-52 (Budget)	2.58	1.60	1.70	2.01	68	10.04	16.63	1.52	78	—	32	5.27	4.32	16.84	—	21	

Uttar Pradesh

1938-39 (Accounts)	23	5.82	—	1.23	1.28	9.70	12.80	1.54	1.13	61	4.00	3.54	12.80	—	—	34.19
1947-48 (Accounts)	5.65	6.91	4.27	7.06	2.18	26.66	38.74	3.26	1.98	83	11.52	9.37	38.73	—	1	36.72
1948-49 (Accounts)	8.84	6.76	6.12	5.96	2.34	35.65	49.20	3.98	2.31	86	15.14	14.42	49.18	—	2	39.42
1949-50 (Accounts)	10.05	6.62	5.10	5.93	2.27	37.98	56.26	4.94	2.85	87	19.09	16.70	56.26	—	—	45.60
1950-51 (Revised)	9.68	7.28	5.20	5.84	2.20	37.80	52.06	5.44	2.55	81	18.21	16.52	53.42	—	1.36	60.53
1951-52 (Budget)	9.26	14.07	5.20	5.84	2.25	44.83	61.26	5.17	2.96	1.00	19.42	16.73	61.51	—	25	

West Bengal†

1938-39 (Accounts)	2.51	3.24	—	1.59	2.58	11.00	12.77	98	39	16	5.25	3.03	12.77	—	—	4.34
1947-48 (Accounts)	4.90	1.40	2.11	3.55	1.39	16.42	18.73	68	32	3	3.79	2.97	13.28	—	5.45	3.49
1948-49 (Accounts)	6.41	1.92	4.32	6.22	2.40	26.22	31.77	1.43	77	23	7.74	5.75	29.10	—	2.67	9.73
1949-50 (Accounts)	6.95	1.78	4.64	6.14	2.66	27.51	34.01	1.64	54	17	8.61	9.22	31.38	—	2.63	15.73
1950-51 (Revised)	6.89	2.08	4.75	5.90	2.70	27.59	34.68	1.83	1.12	16	9.92	10.72	39.67	—	4.99	24.39
1951-52 (Budget)	6.65	2.08	5.00	5.98	2.70	27.78	34.05	1.89	1.24	10	10.55	11.75	38.81	—	4.76	

TOTAL

1938-39 (Accounts)††	3.98	25.41	—	13.08	9.59	59.02	79.42	8.79	5.35	1.78	26.63	20.89	80.52	—	1.10	132.90
1947-48 (Accounts)††	32.53	24.06	17.03	39.68	13.84	154.30	202.77	16.05	6.69	5.32	54.79	50.78	194.19	—	8.58	118.14
1948-49 (Accounts)††	49.06	25.78	32.95	34.32	16.31	193.08	256.21	19.68	9.68	4.22	73.36	67.96	250.82	—	7.39	142.92
1949-50 (Accounts)††	50.79	29.06	46.30	29.03	17.32	215.76	291.31	24.01	10.93	2.90	89.58	87.06	287.29	—	5.02	186.24
1950-51 (Revised)††	50.34	31.54	49.26	25.23	18.29	219.75	296.58	25.51	13.69	2.54	89.39	95.19	301.96	—	4.38	254.29
1951-52 (Budget)††	47.81	39.86	44.35	24.95	18.57	222.03	308.81	24.94	14.62	2.80	90.40	96.09	311.61	—	2.80	

* Under Article 273 of the Constitution, jute duty is wholly for Central purposes and, in lieu of a share thereof, the States of West Bengal, Assam, Bihar and Orissa receive grants-in-aid. Under the Deshmukh Award, the total of these grants is fixed at Rs. 1.85 lakhs each for 1950-51 and 1951-52, which is included in the non-tax revenue of the States.

** Include appropriation for reduction or avoidance of debt.

† Include General Administration, Administration of Justice, Jails and Convict Settlements, Police, Ports and Pilotage and Miscellaneous Departments.

†† Include Scientific Departments, Education, Medical, Public Health, Agriculture, Rural Development, Veterinary, Co-operation, Industries and Civil Aviation.

‡ Figures for 1938-39 relate to the pre-partition Province; those for 1947-48 cover the period 15 August 1947 to 31 March 1948.

‡‡ Include figures for the pre-partition Provinces of Bengal and the Punjab.

STATE

BUDGETARY POSITION OF

(*Reference*)

States	REVENUE					
	Customs	Taxes on Income	Land Revenue	Sales Tax	Excise	Stamps
Hydrabad†						
1949-50 (Accounts) ..	1,78,57	--	2,55,48	10,81	5,15,40	18,91
(6 months)						
1950-51 (Budget) ..	2,14,29	12,00	4,71,43	85,71	9,85,71	38,57
1950-51 (Revised) ..	3,21,43	1,29	4,62,86	60,00	9,70,88	46,29
1951-52 (Budget) ..	2,57,14	18,43	4,62,86	1,28,57	9,48,54	46,29
Madhya Bharat						
1949-50 (Accounts) ..	2,07,16	—	2,57,08	—	1,70,14	30,62
1950-51 (Budget) ..	1,00,00	35,00	2,69,40	1,00,00	1,40,23	21,44
1950-51 (Revised) ..	1,74,16	6,00	2,59,48	40,19	1,75,51	32,24
1951-52 (Budget) ..	1,35,59	16,00	3,03,76	75,00	1,79,57	33,40
Mysore						
1949-50 (Accounts) ..	—	**	1,02,44	98,56	1,38,77	30,90
(9 months)						
1950-51 (Budget) ..	—	—	1,39,36	1,14,00	1,88,79	39,93
1950-51 (Revised) ..	—	—	1,39,57	1,15,14	1,99,92	45,84
1951-52 (Budget) ..	—	—	1,40,20	60,00	2,03,92	45,84
Patiala and East Punjab States Union						
1949-50 (Accounts) ..	—	65,67	82,63	—	1,83,82	12,97
1950-51 (Budget) ..	—	24,00	97,76	25,15	1,60,02	12,80
1950-51 (Revised) ..	—	16,00	1,00,76	30,15	1,65,02	14,80
1951-52 (Budget) ..	—	22,00	1,00,00	25,15	1,47,68	20,00
Rajasthan						
1949-50 (Revised)† ..	1,88,65	2,50	1,86,58	—	1,23,45	18,00
(6 months)						
1950-51 (Budget) ..	3,77,30	22,00	3,86,00	—	2,72,00	45,92
1950-51 (Revised) ..	..	..	..	..	..	..
1951-52 (Budget) ..	..	..	..	..	..	..
Saurashtra						
1949-50 (Accounts) ..	2,97,57	90,92	1,97,08	—	34,63	17,98
1950-51 (Budget)§ ..	—	—	2,28,29	15,00	3,60	16,40
1950-51 (Revised) ..	—	—	2,67,29	6,00	15,58	19,52
1951-52 (Budget) ..	—	—	2,40,12	12,00	14,60	19,09
Travancore-Cochin						
1949-50 (Accounts) ..	1,20,56	1,52,14	28,97	1,14,61	2,00,26	45,53
(7½ months)						
1950-51 (Budget) ..	66,00	62,50	63,00	1,42,43	2,56,50	77,08
1950-51 (Revised) ..	66,00	30,00	60,00	1,60,00	2,50,00	75,00
1951-52 (Budget) ..	—	70,00	70,45	2,08,00	2,24,66	77,20
Total §§						
1950-51 (Budget) ..	3,80,29	1,33,50	12,69,24	4,82,29	17,34,85	2,06,22
1950-51 (Revised) ..	5,61,59	53,29	12,89,96	4,11,48	17,76,91	2,33,69
1951-52 (Budget) ..	3,92,73	1,26,43	13,17,39	5,08,72	17,18,97	2,41,82

** Not available ; receipts from this head are included under grants-in-aid from Central Government placed at Rs. 236·81 lakhs representing the net transactions of items since become federal. † Figures are in Indian rupees. ‡ Accounts are not available. § Budget estimates for 1950-51 do not include supplementary grants. §§ Excluding Rajasthan.

MENT 53

PART B STATES

paragraphs 42 & 53)

(Thousands of Rupees)

Total Tax Revenue	Total Revenue	EXPENDITURE					Total Expenditure	Surplus (+) or Deficit (—)
		Direct Demands on Revenue	Irrigation	Debt Services	Security Services*	Social Services†		
10,24,72	14,77,20	1,10,57	51,58	1,35,63	4,91,75	2,46,52	13,38,94	+ 1,38,26
19,23,41	25,62,03	2,71,45	1,31,79	2,54,59	7,52,23	6,26,44	25,72,66	— 10,63
19,70,38	26,21,88	2,60,29	1,47,51	2,43,61	7,44,05	5,91,58	26,18,68	+ 3,20
19,71,24	27,57,93	3,03,63	98,56	2,10,93	7,76,31	7,10,42	27,73,56	— 15,63
7,70,11	10,44,55	84,64	17,75	21	4,42,22	2,59,73	10,81,62	— 37,07
7,65,17	10,76,33	97,91	27,02	1,09	3,60,00	3,29,79	10,87,62	— 11,29
7,58,86	10,80,62	96,63	27,02	9	3,58,35	3,29,63	11,83,62	— 1,03,00
8,44,50	11,31,00	1,01,31	47,06	47	3,47,96	3,57,13	11,36,00	— 5,00
4,48,95††	11,05,53	50,31††	23,32	79,41	1,45,74‡‡	4,40,25	10,78,37	+ 27,16
5,79,94	13,33,55	78,41	12,96	96,06	1,85,45	6,82,92	13,52,15	— 18,60
6,22,32	13,58,84	72,66	17,79	96,37	1,92,97	6,10,70	13,42,26	+ 16,58
6,57,23	13,80,69	96,79	78,76	1,02,11	2,05,86	6,44,49	14,18,23	— 37,54
3,85,95	5,98,51	30,60	25,97	1,85	2,82,85	82,63	5,64,71	+ 33,80
3,49,28	5,01,71	46,76	25,64	1,40	1,56,56	1,29,65	4,99,21	+ 2,50
3,74,11	5,55,87	43,65	25,30	15	1,56,36	1,21,49	4,96,21	+ 59,66
3,44,23	4,91,50	43,83	27,94	1,94	1,67,81	1,15,66	4,89,84	+ 1,66
5,79,52	8,36,95	72,50	10,36	6,60	3,07,50	1,77,69	8,09,79	+ 27,16
12,19,47	16,09,00	1,57,68	65,00	11,00	4,47,00	4,59,59	16,09,00	—
..
7,24,20	10,41,18	44,67	11,54	4,21	2,87,60	1,77,37	9,69,24	+ 71,94
3,60,04	7,59,05	49,19	13,69	6,91	2,61,58	2,64,09	7,56,16	+ 2,89
3,97,06	8,03,22	46,65	28,93	6,81	2,78,50	2,58,26	7,91,18	+ 12,04
3,73,80	8,07,54	56,83	22,49	9,14	2,71,62	2,75,65	8,05,40	+ 2,14
7,67,79	9,23,81	78,44	5,08	71,67	1,40,62	2,08,69	7,99,29	+ 1,24,52
8,22,71	14,00,06	1,34,37	3,45	1,42,93	1,94,20	5,29,80	14,36,10	— 36,04
7,96,60	14,32,31	1,28,34	3,60	1,38,26	1,72,22	4,35,14	14,05,46	+ 26,85
8,88,58	14,87,22	1,31,96	51,08	96,26	1,88,39	4,96,83	14,91,33	— 4,11
48,00,55	76,32,73	6,78,09	2,14,55	5,02,98	19,10,02	25,62,69	77,03,90	— 71,17
49,19,33	78,52,74	6,48,22	2,50,15	4,85,29	19,02,45	23,46,80	78,37,41	+ 15,33
50,79,58	80,55,88	7,34,35	3,25,89	4,20,85	19,57,95	26,00,18	81,14,36	— 58,48

* Include General Administration, Military, Courts, Jails and Convict Settlements, Police, Ports and Pilotage and Miscellaneous Departments. † Include Scientific Departments, Education, Medical, Public Health, Agriculture, Veterinary, Co-operation, Industries, Rural Development, Labour Welfare, Aviation and Broadcasting. †† Excludes taxes on income. ‡‡ Excludes defence expenditure for which data are not available.

STATEMENT 54

CAPITAL BUDGET OF THE GOVERNMENT OF INDIA

(Reference paragraphs 42 & 46)

(Crores of Rupees)

	1948-49†	1949-50†	1950-51		1951-52
			Budget	Revised	Budget
I. Receipts					
New Loans	55.04	40.45	85.36	38.97	104.84
Treasury Bills*	251.78	—8.60	—	10.00	—
Treasury Deposit Receipts*	3.88	9.97	0.75	—7.50	—
Other Floating Loans*	—	79.02	—	—	—
Treasury Savings Deposit Certificates	—	—	—	3.00	12.00
Small Savings*	29.91	26.03	27.85	28.28	30.86
Other Unfunded Debt*	1.28	4.15	6.72	6.88	8.29
Railway Depreciation and Revenue Reserve Funds*	5.81	7.44	2.38	7.20	7.61
Railway Development Fund*	—1.05	0.48	4.53	4.52	2.33
Other Reserve Funds*	0.37	1.54	—0.07	—0.42	—0.34
Appropriation for Reduction or Avoidance of Debt*	5.00	5.00	5.00	5.00	5.00
E.P.T. and Income-tax Deposits*	—13.95	—15.20	—41.56	—41.83	—34.29
Repayment of Loans by States	5.37	14.81	13.85	13.65	7.44
Contingency Fund	—	—	—	15.00	—
Other Items	34.69	16.92	22.96	51.90	21.59
Total Receipts	378.13	182.01	127.77	134.65	165.33
<i>Deficit on Capital Account</i>	<i>167.48</i>	<i>80.05</i>	<i>23.94</i>	<i>66.97</i>	<i>77.83</i>
Grand Total	545.61	262.06	151.71	201.62	243.16
II. Disbursements					
Capital Outlays :					
Railways	34.40	34.25	19.49	24.13	19.62
Industrial Development	7.33	9.18	9.63	10.26	10.56
Currency and Mint	6.49	79.53	0.51	3.26	0.33
Defence Capital Outlay	132.69	1.95	2.15	5.75	12.97
Grants to States for Development	14.75	17.03	9.59	5.50	—
Sterling Pensions	214.55	—9.56	—7.37	—7.37	—7.31
Other Heads	—1.22	—9.47	28.00	26.60	40.95
Discharge of Permanent Debt	102.59	68.77	47.61	47.00	90.71
Advances to States	31.37	54.75	34.81	66.68	62.62
Other Loans and Advances*	2.66	15.63	7.29	4.81	12.71
Contingency Fund	—	—	—	15.00	—
Total Disbursements	545.61	262.06	151.71	201.62	243.16
Grand Total	545.61	262.06	151.71	201.62	243.16

* Figures are net. † Accounts are provisional.

STATEMENT 55

INCOME-TAX AND OTHER PAYMENTS MADE BY THE CENTRE TO PART A STATES

(Reference paragraph 52)

(Lakhs of Rupees)

PAID TO	INCOME-TAX					GRANTS-IN-AID				
	1938-39	1949-50	1950-51	1951-52	JUTE DUTY†	1938-39	1949-50	1950-51	1951-52	
Assam	3.00	1.37.22	1.42.14	1.40.94	11.69	30.00	30.00	1.34.00	70.00	
Bihar	15.00	5.94.62	5.92.25	5.87.25	17.12	—	—	39.00	39.00	
Bombay	30.00	9.60.54	9.94.98	9.86.58	—	—	—	1.45.00	1.45.00	
Madhya Pradesh	7.50	2.74.44	2.84.28	2.81.88	—	—	—	19.00	13.00	
Madras	22.50	8.23.32	8.29.15	8.22.15	—	—	—	—	—	
Orissa	3.00	1.37.92	1.42.14	1.40.94	0.92	43.00	60.00	81.00	81.00	
Punjab†	12.00	2.28.79	2.60.59	2.58.30	—	25.00	1.75.00	75.00	—	
Uttar Pradesh	22.50	8.09.06	8.32.84	8.43.64	—	—	—	—	—	
West Bengal†	30.00	5.18.88	6.39.63	6.34.23	2.21.27	—	50.00	1.17.00	1.17.00	
Total	1.45.50	45.74.00	47.38.00	46.98.00**	2.51.00	98.00	3.15.00	6.10.00	4.71.00††	

† The amounts payable for 1950-51 and 1951-52 are included in grants-in-aid. ‡ Figures for 1938-39 relate to the undivided Province. ** Including Rs. 2.5 crores for arrears of previous years payable to Part A States. †† This comprises Rs. 1.85 lakhs under Article 273 of the Constitution in lieu of the share of jute duty, Rs. 70 lakhs under Article 275 (j), Rs. 1.96 lakhs as grants in respect of merger of States with the former Provinces and Rs. 20 lakhs as grant to Orissa for construction of new capital. Adding lump sum grants of Rs. 1.04 lakhs provided in the budget for 1951-52 under proviso to Article 275(i) of the Constitution and Rs. 1.90 lakhs on account of natural calamities, the figure works out to Rs. 6.71 lakhs.

STATEMENT 56

RAILWAYS : RECEIPTS AND WORKING EXPENSES

(Reference paragraph 55)

(Crores of Rupees)

	1949-50*		1950-51	
	Actual	Accounts	Budget	Revised
GROSS TRAFFIC RECEIPTS				
Passenger Earnings	84.50	86.29	89.57	96.15
Other Coaching Traffic Earnings	..	17.52	15.19	16.75
Goods Earnings	123.60	130.37	125.46	145.51
Other Earnings	3.15	4.94	3.86	4.87
Suspense	2.10	2.77	1.08	0.12
Total	225.15	236.35	232.50	263.40
WORKING EXPENSES				
Administration	21.82	22.46	22.77	23.50
Repairs and Maintenance	65.83	67.88	51.85	57.32
Operating Staff	31.33	31.23	35.53	36.15
Operations (Fuel)	26.41	28.36	28.32	30.73
Operations (other than staff & fuel)	10.45	12.70	9.97	12.71
Miscellaneous	18.67	19.36	17.02	18.82
Labour Welfare	—	—	3.13	3.28
Suspense	1.51	0.46	2.00	2.20
Depreciation	11.58	11.58	15.00	30.00
Payments to Worked Lines	2.02	1.80	0.33	0.24
Total	186.60	194.91	181.92	216.55
Net Miscellaneous Receipts	..	4.38	4.67	6.04

* Excludes ex-Indian State Railways. † Includes effect of budget proposals.

STATE
RAILWAY
(Reference)

	1924-25	1929-30	1934-35	1938-39	1940-41	1941-42	1942-43
1. Capital-at-charge	6,07,69	7,35,22	7,51,96	7,55,26	7,60,93	7,54,73	7,72,52
2. Gross Traffic Receipts	1,03,18	1,04,37	91,76	99,62	1,17,58	1,35,17	1,55,48
3. Operating Expenses	53,17	56,32	50,63	54,01	55,62	63,54	68,98
4. Contribution to Depreciation Fund	9,93	12,11	13,18	12,56	12,64	12,68	12,57
5. Payments to worked lines as share of earnings	3,64	3,24	2,62	2,61	3,03	3,33	2,71
6. Net Traffic Receipts	36,44	32,70	25,33	30,44	46,29	55,62	71,22
7. Net Miscellaneous Receipts ..	-73	12	37	23	85	90	1,88
8. Net Revenue	35,71	32,82	25,70	30,67	47,14	56,52	73,10
9. Interest charges	22,98	28,87	30,30	29,30	28,68	28,44	28,03
10. Contribution to General Revenue	6,78*	6,12*	—	1,37	12,16	20,17	20,13
11. Surplus or Deficit	12,73	3,95	-4,60	1,37	18,46	28,08	45,07
12. Transfer to Revenue Reserve Fund†	6,38*	-2,08*	—	—	6,30	—	8,86
13. Transfer to Development Fund‡ ..							
14. Repayment to Depreciation Reserve Fund				—	—	7,91	22,38**
15. Ratio of Working Expenses to Gross earnings	65.6	69.2	73.0	69.4	60.5	58.1	53.3
16. Ratio of Net Profit to Capital-at-charge	2.1	0.5	-0.6	0.2	2.4	3.7	5.8
17. Percentage of Net Traffic Receipts (Item 6) to Capital-at-charge (Item 1) ..	6.0	4.5	3.4	4.0	6.1	7.4	9.2

Note:—Figures upto and including 1946-47 relate to undivided India, while later figures relate to the Indian Union. From 1950-51, data for ex-India State Railways have been included.

* Including Burma Railways. † Known as Railway Reserve Fund till the end of 1949-50.

‡ As from 1950-51, a Railway Development Fund was set up, in which was merged the Betterment Fund.

** Includes Rs. 6,30 lakhs transferred from Railway Reserve.

MENT 57

FINANCES

paragraph 55)

(Lakhs of Rupees)

1943-44	1944-45	1945-46	1946-47	1947-48†	1948-49	1949-50	1950-51 Budget	1950-51 Revised	1951-52 Budget
7,80,73	7,87,00	7,96,85	8,07,76	6,67,43	7,01,89	7,36,14	8,06,43	8,12,43	8,32,06
1,85,43	2,16,38	2,25,74	2,03,35	1,01,00	2,13,10	2,36,35	2,32,50	2,63,40	2,79,50
90,10	1,23,34	1,45,09	1,56,67	84,79	1,60,41	1,81,53	1,66,59	1,80,31	1,86,75
16,87	17,01	17,05	13,21	6,81	11,29	11,58	15,00	30,00	30,00
1,87	1,93	2,36	1,82	63	1,62	1,80	33	24	22
76,59	74,10	61,24	31,65	8,76	39,78	41,44	50,58	52,85	62,53
2,78	3,24	4,14	3,39	1,77	2,56	-3,67	-4,72	-6,04	-7,31
79,37	77,34	65,38	35,04	10,53	42,34	37,77	45,86	46,81	55,22
28,53	27,45	27,18	20,52	13,27	22,36	23,18	—	—	—
37,64	32,00	32,00	5,40	—	7,34	7,00	31,85§	32,57§	33,37§
50,84	49,89	36,20	8,52	-2,74	19,98	14,59	14,01	14,24	21,85
13,20	17,89	6,20	12	-2,74	—	—	2,01	4,24	11,85
—	—	—	3,00	—	84	—	10,00	10,00	10,00
—	—	—	—	—	11,80	7,59	2,00	—	—
59.0	66.0	71.8	83.5	89.2	79.8	81.7	78.7	80.8	78.0
6.5	6.3	4.8	1.1	-0.4	2.8	2.0	1.7	1.8	2.6
9.8	9.4	7.7	3.9	1.3	5.7	5.6	6.3	6.5	7.5

† From 15 August 1947 to 31 March 1948. § Amount paid as Dividend to General Revenues at 4 per cent on Capital-at-charge in lieu of interest charges and the *ad hoc* contribution to General Revenues.

STATEMENT 58

CONSOLIDATED DEBT POSITION OF PART A STATES

(Reference paragraphs 61 & 74)

(Lakhs of Rupees)

AT THE END OF

	1936-37	1939-40	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51*
Public Debt—												
(a) Permanent Debt	8.72	19.60	23.04	31.07	39.63	50.87	59.28	63.57	44.17	45.94	50.41	58.25
(b) Floating Debt	—	1.80	1.00	82	29.40	30.03	20.51	10.84	2.56	3.83	1.47	16.60
(c) Loans from Central Govt.	1,43.80	1,21.77	1,18.49	1,11.11	98.66	63.67	52.21	52.57	49.98	67.38	1,06.71	1,49.38
Unfunded Debt	15.03	24.44	26.62	27.26	28.59	29.78	30.97	30.81	21.43	25.77	27.65	30.07
II. Gross Total Debt (Total of I and II)	1,67.55	1,67.61	1,69.15	1,70.26	1,96.28	1,74.35	1,62.97	1,57.79	1,19.14	1,43.92	1,86.24	2,54.29
III. Appropriation for Reduction or Avoidance of Debt	1.28	87	1.90	1.98	2.05	4.57	4.94	4.51	4.99	4.25	2.85	2.80
IV. Closing Cash Balance	10.70	8.83	11.50	20.47	22.63	21.86	32.31	16.73	7.26	23.68	26.34	17.6

Note.—Figures up to and including 1945-46 relate to Provinces in undivided India; figures for 1946-47 include those for the undivided Provinces of the Punjab and Bengal. * Provisional.

STATEMENT 59

GOVERNMENT BALANCES IN INDIA WITH THE RESERVE BANK OF INDIA AND AT GOVERNMENT TREASURIES

(Reference paragraphs 42, 62 & 65)

(Lakhs of Rupees)

	RESERVE BANK OF INDIA				GOVERNMENT TREASURIES			
	CENTRAL GOVERNMENT		STATE GOVERNMENTS		CENTRAL GOVERNMENT		STATE GOVERNMENTS	
	1949-50	1950-51	1949-50	1950-51	1949-50	1950-51	1949-50	1950-51
Last day of the month								
April	1,60,17	1,28,98	21.06	27.83	4	1.50	2.23	1.92
May	1,45,68	1,32,31	20.52	23.13	15	1.59	2.07	2.22
June	1,24.44	1,44.48	16.97	15.20	8	1.93	2.57	3.71
July	1,25.55	1,42.80	13.48	17.79	12	1.65	2.61	3.64
August	1,12.94	1,56.96	23.04	23.69	14	1.63	2.05	3.25
September	1,42.28	1,60.60	19.17	23.69	1	1.60	2.24	3.29
October	1,46.22	1,56.13	26.98	25.10	43	1.74	2.03	3.69
November	1,34.88	1,57.64	25.19	27.26	34	1.34	2.34	4.52
December	1,66.38	1,66.38	22.96	14.82	40	1.40	2.56	4.02
January	1,69.35	1,75.28	22.10	16.94	52	1.20	2.20	2.79
February	1,68.02	1,73.78	29.03	16.94	19	1.23	1.58	3.87
March	1,40.42	1,51.08	45.63	43.76	-20	26	1.83	4.16

STATEMENT 60

GOVERNMENT OF INDIA TREASURY BILLS (ANNUAL) SINCE 1918-19

(Reference paragraph 63)

Year	Amount offered for tender	Amount tendered	Amount sold	Amount of intermediates sold	Total amount sold	Average yield per cent per annum	(Thousands of Rupees)	
							Amount sold in favour of the Reserve Bank of India	Amount outstanding at end of year*
1918-19	49,24,30
1919-20	52,98,00
1920-21	104,93,10
1921-22	111,86,70
1922-23	71,23,90
1923-24	51,77,20
1924-25	49,65,40
1925-26	49,65,15
1926-27	41,47,15
1927-28	39,52,55
1928-29	43,14,80
1929-30	65,25,45
1930-31	61,26,50
1931-32	97,19,85
1932-33	61,57,20
1933-34	1-62	..	59,23,70
1934-35	1-58	..	54,34,25
1935-36	1-21	100,52,00	32,13,00
1936-37	0-73	62,93,50	28,53,75
1937-38	0-97	75,30,00	38,00,50
1938-39	1-63	100,11,75	46,30,00
1939-40	1-87	104,94,50	54,70,50
1940-41	0-89	140,76,00	68,90,25
1941-42	0-72	291,43,00	136,97,75
1942-43	0-87	496,41,75	264,69,50
1943-44	0-90	275,72,75	110,61,25
1944-45	0-49	144,81,25	86,70,50
1945-46	0-40	161,99,00	83,33,00
1946-47	0-42	220,29,50	77,59,00
1947-48	0-45	271,33,25	98,68,25
1948-49	0-49	1,117,85,00	350,46,50†
1949-50	0-51	1,381,11,75	341,86,25†
1950-51	1,394,35,25	358,02,25†

* Includes amount outstanding on account of the Reserve Bank of India (up to 1934-35 on account of the Currency Reserve), States and others.
† Includes outstandings of Rs. 292-84 crores at the end of 1948-49, Rs. 291-54 crores at the end of 1949-50 and Rs. 274-51 crores at the end of 1950-51 on account of *ad hoc* bills created to replace the sterling securities transferred to the U.K. Government in terms of the Sterling Balances Agreement of July 1948.

STATEMENT 61

GOVERNMENT OF INDIA THREE MONTHS TREASURY BILLS (WEEKLY), 1950-51

(Reference paragraph 63)

(Thousands of Rupees)

1950-51		SALES TO PUBLIC*					Average rate of discount of accepted tenders	Amount sold in favour of the Reserve Bank of India	Total amount outstanding, including amount outstanding on account of the Reserve Bank of India, States and others
Week ended		Amount offered	Amount tendered	Amount sold	Amount dis- charged	Amount out- standing			
April	7	..	—	—	—	—	—	340,35,50	
"	14	..	—	—	—	—	4,76,50	338,53,25	
"	21	..	—	—	—	—	1,14,25	338,14,75	
"	28	..	—	—	—	—	4,75,50	339,76,50	
May	5	..	—	—	—	—	4,60,00	339,39,25	
"	12	..	—	—	—	—	282,61,25	344,14,25	
"	19	..	—	—	—	—	3,46,50	344,19,25	
"	26	..	—	—	—	—	2,62,25	343,88,75	
June	2	..	—	—	—	—	2,93,75	343,70,75	
"	9	..	—	—	—	—	2,83,50	342,80,75	
"	16	..	—	—	—	—	13,30,75	341,65,00	
"	23	..	—	—	—	—	7,30,75	340,52,25	
"	30	..	—	—	—	—	8,08,00	338,43,00	
July	7	..	—	—	—	—	3,32,75	341,75,75	
"	14	..	—	—	—	—	4,60,50	341,59,75	
"	21	..	—	—	—	—	3,55,25	344,00,75	
"	28	..	—	—	—	—	3,75,25	343,00,50	
August	4	..	—	—	—	—	5,87,00	344,27,50	
"	11	..	—	—	—	—	280,61,25	347,27,50	
"	18	..	—	—	—	—	8,81,75	347,70,75	
"	25	..	—	—	—	—	2,37,00	347,62,75	
September	1	..	—	—	—	—	1,44,00	346,62,75	
"	8	..	—	—	—	—	2,78,50	346,62,00	
"	15	..	—	—	—	—	7,64,75	345,63,00	
"	22	..	—	—	—	—	13,09,50	345,19,50	
"	29	..	—	—	—	—	7,81,50	342,54,75	
October	6	..	—	—	—	—	2,85,75	341,77,00	
"	13	..	—	—	—	—	3,50,00	340,61,50	
"	20	..	—	—	—	—	7,18,50	344,65,00	
"	27	..	—	—	—	—	3,45,25	343,95,25	
November	3	..	—	—	—	—	7,69,50	347,27,25	
"	10	..	—	—	—	—	7,21,00	347,98,25	
"	17	..	—	—	—	—	280,49,75	347,55,00	
"	24	..	—	—	—	—	3,54,75	351,05,75	
December	1	..	—	—	—	—	4,01,00	351,29,75	
"	8	..	—	—	—	—	2,61,25	351,12,50	
"	15	..	—	—	—	—	7,39,75	350,87,50	
"	22	..	—	—	—	—	10,40,25	348,18,25	
"	29	..	—	—	—	—	8,34,25	348,35,25	
January	5	..	—	—	—	—	45,75	348,59,50	
"	12	..	—	—	—	—	5,73,50	348,59,50	
"	19	..	—	—	—	—	7,81,75	349,17,75	
"	26	..	—	—	—	—	4,25,75	352,48,25	
February	2	..	—	—	—	—	7,37,50	351,66,25	
"	9	..	—	—	—	—	6,55,00	349,21,25	
"	16	..	—	—	—	—	274,11,25	346,00,25	
"	23	..	—	—	—	—	6,09,25	345,20,25	
March	2	..	—	—	—	—	6,76,00	347,41,25	
"	9	..	—	—	—	—	5,02,50	346,41,25	
"	16	..	—	—	—	—	18,13,25	359,86,50	
"	23	..	—	—	—	—	7,00,50	356,66,50	
"	30	..	—	—	—	—	12,20,25	358,02,25	
Total		..	—	—	—	—	1,394,35,25	358,02,25	

There were no sales of Treasury bills to the public during 1950-51.

STATEMENT 62

GOVERNMENT OF INDIA THREE MONTHS TREASURY BILLS (MONTHLY

(Reference paragraph 63)

(Thousands of Rupees)

1949-50					1950-51							
PUBLIC					PUBLIC							
Sales	Average Yield	Dis- charges	Out- standings	Amount sold in favour of the Reserve Bank of India	Total amount outstanding including amount outstanding on account of the Reserve Bank of India, States and others	Month	Sales	Average Yield	Dis- charges	Out- standings	Amount sold in favour of the Reserve Bank of India	Total amount outstanding including amount outstanding on account of the Reserve Bank of India, States and others
—	—	—	—	6,61,00	352,00,50	April	—	—	—	—	10,66,25	339,76,50
—	—	—	—	298,33,50	346,81,00	May	—	—	—	—	295,48,75	343,88,75
—	—	—	—	29,41,75	334,36,25	June	—	—	—	—	32,28,00	338,43,00
2,00,00	0.50	—	2,00,00	7,10,75	336,86,00	July	—	—	—	—	15,25,75	343,02,50
14,00,00	0.50	—	16,00,00	302,09,00	354,61,50	August	—	—	—	—	299,09,00	346,62,75
20,00,00	0.53	—	36,00,00	38,02,75	378,48,50	September	—	—	—	—	31,70,00	342,54,75
—	—	2,00,00	34,00,00	18,32,25	388,94,00	October	—	—	—	—	18,11,25	345,40,25
—	—	14,00,00	20,00,00	297,35,50	373,70,50	November	—	—	—	—	301,24,50	351,05,75
2,75,50	0.60	20,00,00	2,75,50	38,49,00	356,92,25	December	—	—	—	—	28,99,50	348,35,25
—	—	—	2,75,50	12,76,00	351,36,00	January	—	—	—	—	21,54,25	351,78,25
—	—	—	2,75,50	294,86,50	348,87,00	February	—	—	—	—	296,11,50	346,65,25
—	—	2,75,50	—	37,73,75	341,86,25	March	—	—	—	—	43,86,50	358,02,25
38,75,50	0.61	38,75,50	—	1,38,11,75	341,86,25	TOTAL	—	—	—	—	1,394,35,25	358,02,25

STATEMENT 63

TREASURY BILLS OF PART A STATES SINCE 1938-39

(Reference paragraph 66)

(Thousands of Rupees)

1950-51

1949-50

1948-49

1947-48

1946-47

1945-46

1944-45

1943-44

1942-43

1941-42

1938-39

State and Particulars

ASSAM

Amount offered for tender ..	75,00	—	1,10,00	8,75,00	16,50,00	18,00,00	4,00,00	—	—	—	—
Amount tendered ..	82,50	—	1,49,00	12,20,00	27,61,00	27,44,00	8,46,00	—	—	—	—
Amount sold ..	75,00	—	1,10,00	8,75,00	16,50,00	18,00,00	4,00,00	—	—	—	—
Average rate of discount per cent per annum	2 4 8	—	1 2 0	0 14 4	0 9 0	0 6 10	0 7 11	—	—	—	—
Amount outstanding ..	40,00	—	80,00	2,50,00	4,50,00	3,50,00	1,00,00	—	—	—	—

BOMBAY

Amount offered for tender ..	—	—	—	50,00	—	—	—	—	—	—	—
Amount tendered ..	—	—	—	1,15,00	—	—	—	—	—	—	—
Amount sold ..	—	—	—	50,00	—	—	—	—	—	—	—
Average rate of discount per cent per annum	—	—	—	0 10 0	—	—	—	—	—	—	—
Amount outstanding ..	—	—	—	50,00	—	—	—	—	—	—	—

MADHYA PRADESH

Amount offered for tender ..	2,25,00	40,00	50,00	80,00	—	—	—	—	—	—	—
Amount tendered ..	3,06,75	1,55,25	1,31,00	1,39,00	—	—	—	—	—	—	—
Amount sold ..	2,25,00	40,00	50,00	80,00	—	—	—	—	—	—	—
Average rate of discount per cent per annum	1 15 6	0 11 3	0 10 0	0 10 5	—	—	—	—	—	—	—
Amount outstanding ..	1,10,00	—	—	80,00	—	—	—	—	—	—	—

MADRAS

Amount offered for tender ..	1,90,00	1,00,00	1,50,00	1,00,00	1,00,00	1,50,00	—	—	—	—	—
Amount tendered ..	2,42,75	3,06,50	4,66,00	1,65,00	3,10,00	3,33,00	—	—	—	—	—
Amount sold ..	1,90,00	1,00,00	1,50,00	60,00	1,00,00	1,00,00	—	—	—	—	—
Average rate of discount per cent per annum	1 8 8	0 12 0	0 11 11	0 13 7	0 9 0	0 5 4	—	—	—	—	—
Amount outstanding ..	—	—	—	—	—	—	—	—	—	—	—

Amount offered for
Amount tendered
Amount sold
Average rate of discount
per annum
Amount outstanding

[illegible]

Amount offered for tender
Amount tendered
Amount sold
Average rate of discount per cent
per annum
Rs.
Amount outstanding

Amount offered for tender	80,00	—	75,00	6,00,00	—	—	2,00,00	5,50,00
Amount tendered	85,00	—	97,00	11,58,00	—	—	—	7,50,00
Amount sold	80,00	—	75,00	6,00,00	—	—	54,00	5,50,00
<i>Average rate of discount per cent</i>								
per annum	1	8	11	—	—	—	0	15
Amount outstanding	Rs.	12	3	0	14	2	8	0
		—	—	1,00,00	—	—	—	9
		—	—	—	—	—	—	4

Amount offered for tender
Amount tendered
Amount sold
<i>Average rate of discount per cent</i>	<i>per annum</i>
Rs.
Amount outstanding

Amount offered for tender ..	—	6,75,00	50,00	29,00,00	35,00,00	16,50,00	12,50,00	6,00,00	—
Amount tendered ..	—	13,52,50	1,34,50	37,68,50	55,48,00	27,75,00	17,20,50	4,00,00	—
Amount sold ..	—	6,75,00	50,00	29,00,00	35,00,00	16,50,00	12,50,00	4,00,00	—
<i>Average rate of discount per cent</i>									
<i>per annum</i>	—	0 14 0	0 10 0	0 15 2	0 8 11	0 7 3	0 7 10	0 8 0	—
<i>Rs.</i>	—	1,00,00	—	12,50,00	5,00,00	7,50,00	8,00,00	—	—
Amount outstanding ..	—	—	—	—	—	—	—	—	—

Amount offered for tender	..
Amount tendered	..
Amount sold	..
<i>Average rate of discount per cent per annum</i>	<i>Rs. ..</i>
Amount outstanding	..

Amount offered for tender	5,70,00	8,15,00	4,35,00	46,05,00	53,50,00	36,00,00	16,50,00	6,00,00	3,00,00	13,50,00
Amount tendered	.. 7,17,00	18,14,25	9,67,50	65,63,50	89,65,00	58,52,00	25,66,50	4,00,00	1,54,00	15,50,00
Amount sold	.. 5,70,00	8,15,00	4,35,00	45,65,00	53,50,00	35,50,00	16,50,00	4,00,00	1,54,00	13,50,00
Average rate of discount per cent per annum										
Rs.	.. 1 13 0	0 13 8	0 13 1	0 14 9	0 8 11	0 7 0	0 7 10	0 8 0	0 12 0	0 9 6
Amount outstanding	.. 1,50,00	1,00,00	80,00	17,30,00	10,00,00	11,00,00	9,00,00	—	—	—

Excluding Rs. 2 crores offered for tender on 23 September 1949 but cancelled.

* Figures for the years 1938-39 to 1946-47 relate to the pre-partition Province of Bengal.

STATEMENT 64

GOVERNMENT OF INDIA TREASURY DEPOSIT RECEIPTS†

(Reference paragraph 64)

		Six Months			Nine Months			One Year			TOTAL		
		Issued	Dis- charged	Out- standing*	Issued	Dis- charged	Out- standing*	Issued	Dis- charged	Out- standing*	Issued	Dis- charged	Out- standing*
1948-49 (Oct.- March)		2,48,50	—	2,48,50	3,25	—	3,25	1,37,00	—	1,37,00	3,88,75	—	3,88,75
1949-50		14,48,25	3,77,25	13,19,50	5,00	3,25	5,00	59,75	1,37,00	59,75	15,13,00	5,17,50	13,84,25
1950-51		16,95,00	26,52,75	3,61,75	70,00	5,00	70,00	2,38,25	59,75	2,38,25	20,03,25	27,17,50	6,70,00
1949-50													
April	..	28,50	50	2,76,50	—	—	3,25	—	—	1,37,00	28,50	50	4,16,75
May	..	36,25	20,00	2,91,75	—	—	3,25	—	—	1,38,25	36,50	20,00	4,33,25
June	..	—	75,50	2,16,25	—	—	3,25	4,00	—	1,42,25	4,00	75,50	3,61,75
July	..	62,00	65,50	2,12,75	—	25	3,00	—	—	1,42,25	62,00	65,75	3,58,00
August	..	—	22,00	1,90,75	—	—	3,00	—	—	1,42,25	—	22,00	3,36,00
September	..	3,00	65,00	1,28,75	—	—	3,00	—	—	1,42,25	3,00	65,00	2,74,00
October	..	22,50	28,50	1,22,75	—	2,00	1,00	—	2,00	1,40,25	22,50	32,50	2,64,00
November	..	3,10,00	35,25	3,97,50	—	1,00	—	—	22,00	1,18,25	3,10,00	58,25	5,15,75
December	..	95,00	—	4,92,50	—	—	—	10,50	58,00	70,75	1,05,50	58,00	5,63,25
January	..	6,90,00	62,00	11,20,50	2,00	—	2,00	38,00	55,00	53,75	7,30,00	1,17,00	11,76,25
February	..	1,00,00	—	12,20,50	2,00	—	4,00	6,00	—	59,75	1,08,00	—	12,84,25
March	..	1,02,00	3,00	13,19,50	1,00	—	5,00	—	—	59,75	1,03,00	3,00	13,84,25
1950-51													
April	..	1,25	22,50	12,98,25	—	—	5,00	25	—	60,00	1,50	22,50	13,63,25
May	..	2,80,00	3,10,00	12,68,25	—	—	5,00	21,25	—	80,00	3,01,25	3,11,25	13,53,25
June	..	1,05,00	95,00	12,78,25	—	—	5,00	30,00	4,00	1,06,00	1,35,00	99,00	13,89,25
July	..	6,82,00	6,90,00	12,70,25	2,00	—	7,00	10,00	—	1,16,00	6,94,00	6,90,00	13,93,25
August	..	1,25,00	1,00,00	12,65,25	—	—	7,00	20,00	—	1,36,00	1,45,00	1,00,00	14,38,25
September	..	1,40,00	1,02,00	13,33,25	—	—	7,00	10,00	—	1,46,00	1,50,00	1,02,00	14,86,25
October	..	1,00,25	1,25	14,32,25	—	2,00	5,00	—	—	1,46,00	1,00,25	3,25	15,83,25
November	..	1,31,50	2,80,00	12,83,75	—	2,00	3,00	30,00	—	1,76,00	1,61,50	2,82,00	14,62,75
December	..	40,00	1,05,00	12,18,75	10,00	1,00	12,00	66,00	10,50	2,31,50	1,16,50	1,60,50	14,62,25
January	..	30,00	6,82,00	6,66,75	48,00	—	60,00	25,00	38,00	2,18,50	1,03,00	7,20,00	8,45,25
February	..	1,25,00	1,25,00	4,71,75	10,00	—	70,00	15,00	6,00	2,27,50	55,00	1,31,00	7,69,25
March	..	30,00	1,40,00	3,61,75	—	—	70,00	10,75	—	2,38,25	40,75	1,40,00	6,70,00

† On tap from 15 October 1948. The rates of discount are 1 per cent, 1½ per cent and 1¾ per cent per annum, respectively, for six months, nine months and one year. * At the end of period.

DEBT POSITION OF THE GOVERNMENT OF INDIA SINCE 1913-14
(Reference paragraphs 42, 61 & 68)

* Include (1) unclaimed balances of old loans which have ceased to bear interest from the date of discharge, (2) balance of special loans, (3) balances of State Provident Funds, Pension Funds, and other accounts such as General Family Pension Fund, the Hindu Family Annuity Fund, the Postal Insurance and Life Annuity Fund, etc., and (4) the amount of Three-year Interest-Free Bonds and Five-year Interest-Free Prize Bonds. ** Preliminary.

† Including Treasury Deposit Receipts. ‡ Includes Pakistan's share of the liabilities as on 14 August 1947. ** Includes ten-year Treasury Savings Deposit Certificates for 1950-51 ¶ Includes Dollar loans of Rs. 10.77 crores and Rs. 24.60 crore at the end of March 1950 and 1951, respectively. §§ Excludes Railway Annuities since 1942-43.

STATE

INTEREST-BEARING OBLIGATIONS AND INTEREST-YIELDING

(Reference

	1938-39	1939-40	1940-41	1941-42	1942-43
I. Interest-Bearing Obligations					
<i>In India</i>					
Loans	437,87	450,23	574,55	611,85	748,74
Treasury Bills, Ways and Means Advances and Treasury Deposit Receipts	46,30	54,70	84,90	136,98	264,70
Small Savings	141,45	135,35	108,79	95,55	92,77
Depreciation and Reserve Funds	27,34	33,47	44,38	60,54	94,72
Others	83,68	86,89	90,12	93,59	97,94
Total ..	736,64	760,64	902,74	998,51	1,298,87
<i>In England</i>					
Loans	396,50	373,46	278,37	147,20	29,94
Others	72,62	69,76	66,56	63,50	60,32
Total ..	469,12	443,22	344,93	210,70	90,26
<i>Dollar Loans</i>	—	—	—	—	—
Total Interest-Bearing Obligations	1,205,76	1,203,86	1,247,67	1,209,21	1,389,13
II. Interest-Yielding Assets					
Capital advanced to Railways ..	725,24	729,72	732,04	732,35	758,23
Capital advanced to other Com- mercial Departments ..	27,42	27,52	32,37	32,66	33,19
Capital advanced to States and other Interest-bearing loans ..	143,99	141,89	140,09	136,98	129,86
Debt due from Burma and Pakistan	49,73	48,15	48,15	48,15	48,15
Deposits with U.K. Govt. for re- demption of Railway Annuities	—	—	—	—	36,00
Purchase of Annuities for Sterling Pensions	—	—	—	—	—
Total Interest-Yielding Assets ..	946,38	947,28	952,65	950,09	1,005,43
Cash and Securities held on Treasury Account	30,30	41,62	73,52	59,48	97,04
Balance of total Interest-bearing Obligations not covered by the above	229,08	214,96	221,50	199,64	286,66

MENT 66

ASSETS OF THE GOVERNMENT OF INDIA

paragraphs 42,61 & 68)

(Lakhs of Rupees)

1943-44	1944-45	1945-46	1946-47 Revised	1947-48 Revised	1948-49 Revised	1949-50 Revised	1950-51 Revised	1951-52 Budget
1,006,55	1,212,14	1,492,22	1,529,75	1,517,09	1,478,39	1,452,15	1,438,46	1,451,73
110,61	86,70	83,33	79,20	86,84	373,33	361,48	373,20	373,20
118,47	159,18	221,52	273,20	233,10	271,73	293,80	326,25	357,11
118,33	144,28	150,93	143,97	112,15	116,77	126,15	155,56	160,65
140,15	220,35	297,10	297,03	183,41	172,74	222,75	207,26	182,48
1,494,11	1,822,65	2,245,10	2,323,15	2,132,59	2,412,96	2,456,33	2,560,73	2,525,17
14,08	13,57	13,22	12,22	5,80	3,39	2,73	1,35	1,32
57,07	53,07	50,16	46,52	43,60	39,45	37,10	34,82	32,32
71,15	67,24	63,38	58,74	49,40	42,84	39,83	36,17	33,64
—	—	—	—	—	—	16,77	24,60	28,59
1,565,26	1,889,89	2,308,48	2,381,89	2,181,99	2,455,80	2,512,93	2,561,50	2,587,40
767,00	784,88	794,74	808,16	675,87	692,47	723,80	814,13	834,38
37,19	40,44	42,73	48,63	43,86	48,85	68,97	90,11	108,83
114,95	90,29	61,03	73,78	73,15	110,44	158,92	216,97	278,88
48,15	48,15	48,15	48,15	348,15	348,15	348,15	348,15	348,15
32,79	29,45	26,01	22,44	19,65	15,53	13,29	10,96	8,53
—	—	—	—	—	215,68	208,26	200,89	143,58
1,000,08	993,21	972,66	1,001,16	1,160,68	1,431,12	1,521,39	1,681,21	1,722,35
159,62	305,79	586,65	513,76	246,12	235,81	172,09	141,97	52,20*
405,56	500,80	749,17	866,07	775,19	788,87	818,55	738,32	812,76

* Excluding effect of budget proposals.

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STATEMENT 67

AMOUNT OF STERLING DEBT REPATRIATED SINCE 1937-38

(Reference paragraph 69)

Year						Face Value (Millions of Pounds Sterling)	Purchase Value		Rupee counter- parts created (Crores of Rupees)
							(Millions of Pounds Sterling)	(Crores of Rupees)	
1937-38	..	..	..	..	..	2.99	3.04	4.05	1.12
1939-40	..	..	..	..	..	17.09	16.54	22.05	22.79
1940-41	..	..	..	..	..	71.29	75.24	100.32	94.86
1941-42	..	..	..	..	..	99.04	92.28	123.04	33.58
1942-43	..	..	..	..	..	119.00	120.48	161.67	82.62
1943-44	..	..	..	..	..	13.02	12.97	17.29	38.42
1944-45	..	..	..	..	..	0.41	0.37	0.49	0.17
1945-46	..	..	..	..	..	0.28	0.29	0.37	0.01
1946-47	..	..	..	..	..	0.76	0.80	1.06	0.01
1947-48	..	..	..	..	..	4.65	5.12	6.83	0.45
1948-49	..	..	..	..	..	0.18	0.19	0.25	0.02
1949-50	..	..	..	..	..	0.08	0.08	0.11	—
Total						328.79	327.40	437.53	274.05

1950-51

1. First compulsory scheme of 8 February 1941 (including special arrangements)	..	0.022	0.024	0.032	0.010
2. Second compulsory scheme of 24 December 1941 (including special arrangements)	..	0.010	0.009	0.012	—
3. Redemption of 3½ per cent Sterling Stock, 1931 or after	.. .. ..	0.001	0.001	0.001	—
4. Repatriation of Railway Debenture Stocks	..	0.002	0.002	0.004	—
Total	..	0.035	0.037	0.049	0.010
Grand Total	..	328.83	327.44	437.58	274.06

STATEMENT 68

(A) POST OFFICE CASH CERTIFICATES † (Reference paragraph 71)

(Lakhs of Rupees)

	Receipts	Repayments	Net receipts	Amount outstanding
1917-18	10,00	1,12	8,88	8,88
1918-19 & 1919-20	4,03	7,16	-3,13	5,75
1920-21 & 1921-22	1,00	2,41	-1,41	4,34
1922-23 & 1923-24	7,61	3,53	4,08	8,42
1924-25 & 1925-26	15,65	3,10	12,55	20,97
1926-27 & 1927-28	13,61	3,88	9,73	30,70
1928-29	4,91	3,31	1,60	32,30
1929-30	7,15	4,45	2,70	35,00
1930-31	11,78	8,35	3,43	38,43
1931-32	14,40	8,34	6,15	44,58
1932-33	15,74	4,68	11,06	55,64
1933-34	13,31	5,24	8,07	63,71
1934-35	9,95	7,70	2,25	65,96
1935-36	13,45	13,43	2	65,98
1936-37	14,88	16,40	-1,58	64,40
1937-38	13,97	18,16	-4,19	60,21
1938-39	14,71	15,35	-64	59,57
1939-40	10,25	12,80	-2,55	57,02
1940-41	4,89	14,93	-10,04	46,98
1941-42	3,97	11,94	-7,97	39,01
1942-43	3,76	8,20	-4,44	34,57
1943-44	5,50	5,43	7	34,64
1944-45	5,48	4,31	1,17	35,82
1945-46	6,67	3,72	2,95	38,76
1946-47	4,97	4,51	46	39,22
1947-48				
1 April to 14 August	1,06	2,59	-1,53	37,69
15 August to 31 March	—	3,07	-3,07	-3,07
1948-49	—	4,42	-4,42	-7,49
1949-50	1	3,88	-2,87	-11,36
1950-51 (Preliminary)	—	4,52	-4,52	-15,88

† Figures for Burma are included up to 1936-37. The series was closed for further deposits from 16 June 1947.

(B) POST OFFICE DEFENCE SAVINGS CERTIFICATES *

	Receipts	Repayments	Net receipts	Amount outstanding
1940-41	2,41	12	2,29	2,29
1941-42	2,81	75	2,06	4,35
1942-43	2,02	81	1,21	5,56
1943-44	2,43	1,02	1,41	6,97
1944-45	—	55	-55	6,42
1945-46	—	50	-50	5,92
1946-47	—	74	-74	5,18
1947-48				
1 April to 14 August	—	39	-39	4,79
15 August to 31 March	1	39	-40	-40
1948-49	—	35	-35	-75
1949-50	—	27	-27	-1,02
1950-51 (Preliminary)	—	76	-76	-1,78

* Replaced by the Twelve-year National Savings Certificates from 1 October 1948.

(C) POST OFFICE NATIONAL SAVINGS CERTIFICATES ‡

	Receipts	Repayments	Net receipts	Amount outstanding
1943-44	8,66	1	8,65	8,65
1944-45	19,55	1	19,54	28,19
1945-46	23,21	10	23,11	51,30
1946-47	21,76	2,44	19,32	70,62
1947-48				
1 April to 14 August	7,18	2,82	4,36	74,98
15 August to 31 March	13,22	4,01	9,21	9,21
1948-49	22,70	6,85	15,85	25,07
1949-50	23,79	8,26	15,53	40,60
1950-51 (Preliminary)	23,62	6,40	17,22	57,82

‡ Including Hyderabad State National Savings Certificates from 1944-45 up to 14 August 1947.

Note.—Figures from 15 August 1947 relate to the Indian Union only; outstandings since 31 March 1948 do not include the Indian Union's share of the pre-partition liabilities.

STATEMENT 69

(A) POST OFFICE SAVINGS BANK

(Reference paragraph 71)

(Lakhs of Rupees)

			Deposits	Interest	Withdrawals	Net increase in Deposits	Amount outstanding
1913-14	..	..	10,99	61	9,04	2,56	23,16
1914-15	..	..	9,07	53	17,88	— 8,28	14,89
1915-16	..	..	7,73	43	7,73	43	15,32
1916-17	..	..	8,93	45	8,10	1,28	16,59
1917-18	..	..	9,72	44	10,17	— 1	16,58
1918-19	..	..	12,99	46	11,21	2,24	18,82
1919-20	..	..	17,18	56	15,22	2,52	21,34
1920-21	..	..	18,22	62	17,33	1,51	22,86
1921-22	..	..	17,11	61	18,32	— 60	22,26
1922-23	..	..	17,07	62	16,75	94	23,19
1923-24	..	..	17,71	67	16,79	1,59	24,78
1924-25	..	..	17,44	71	17,64	51	25,63
1925-26	..	..	19,05	73	18,19	1,59	27,23
1926-27	..	..	20,38	79	18,89	2,28	29,50
1927-28	..	..	23,14	86	20,84	3,16	32,66
1928-29	..	..	26,24	97	25,39	1,82	34,49
1929-30	..	..	26,25	1,02	24,63	2,64	37,13
1930-31	..	..	24,36	1,04	25,50	— 10	37,02
1931-32	..	..	27,39	1,08	27,29	1,18	38,20
1932-33	..	..	30,96	1,15	26,86	5,25	43,45
1933-34	..	..	36,87	1,28	29,37	8,78	52,23
1934-35	..	..	38,67	1,34	37,26	2,75	58,30
1935-36	..	..	46,33	1,50	38,88	8,95	67,25
1936-37	..	..	43,38	1,45	37,40	7,43	74,68
1937-38	..	..	43,27	1,46	39,76	4,97	77,50†
1938-39	..	..	44,61	1,42	41,65	4,38	81,88
1939-40	..	..	40,51	1,15	45,22	— 3,56	78,32
1940-41	..	..	25,35	93	45,09	—18,81	59,51
1941-42	..	..	21,91	83	30,18	— 7,44	52,07
1942-43	..	..	22,26	73	22,84	15	52,22
1943-44	..	..	35,22	93	24,19	11,96	64,18
1944-45	..	..	43,70	1,22	28,94	16,04	80,22
1945-46	..	..	74,42	1,70	41,30	34,82	1,15,04
1946-47	..	..	89,45	2,23	64,37	27,31	1,42,35
1947-48							
1 April to 14 August	..	..	37,68	1,00	34,21	4,47	1,46,82
15 August to 31 March	..	..	45,79	1,22	36,89	10,12	10,12
1948-49	..	..	83,26	2,41	65,88	19,79	29,91
1949-50	..	..	84,90	4,06	73,78	15,18	45,09
1950-51 (Preliminary)	..	..	97,48	..	83,75	13,73	58,82

† The outstandings are lower by Rs. 2,15 lakhs on account of the transfer of Burma and Aden balances.

(B) POST OFFICE DEFENCE SAVINGS BANK §

			Deposits†	Withdrawals	Net increase in Deposits	Amount outstanding
1941-42	..	..	11	—	11	11
1942-43	..	..	30	—	30	41
1943-44	..	..	3,62	1	3,62	4,02
1944-45	..	..	4,53	2	4,51	8,53
1945-46	..	..	1,99	2	1,97	10,50
1946-47	..	..	49	6	43	10,93
1947-48						
1 April to 14 August	..	..	—	4,91	— 4,91	6,02
15 August to 31 March	..	..	—	3,16	— 3,16	— 3,16
1948-49	..	..	—	91	— 91	— 4,07
1949-50	..	..	—	39	— 39	— 4,46
1950-51 (Preliminary)	..	..	—	18	— 18	— 4,64

§ Closed for further deposits from 1 July 1946.

‡ Including interest.

Note.—Figures from 15 August 1947 relate to the Indian Union; outstandings since 31 March 1948 do not include the Indian Union's share of the pre-partition liabilities.

STATEMENT 70

PRINCIPAL ITEMS OF SMALL SAVINGS* (MONTHLY)

(Reference paragraph 71)

	Post Office Cash Certificates			Defence Savings Certificates			National Savings Certificates			Post Office Savings Bank Deposits			Defence Savings Bank Deposits			Total		
	Month-end			Month-end			7 years			5 years			Month-end			Month-end		
	Re-ceipts	outstand-ings	ings	Re-ceipts	outstand-ings	ings	Re-ceipts	outstand-ings	ings	Re-ceipts	outstand-ings	ings	Re-ceipts	outstand-ings	ings	Re-ceipts	outstand-ings	ings
1949-50																		
April	7,80	—	—	77	—	—	7	81	19	1,64	—	—	7,49	31,74	—	—	4,11	9,35
May	8,15	—	—	80	—	—	10	90	20	1,82	—	—	8,29	33,86	—	—	4,15	10,10
June	8,49	—	—	82	—	—	10	99	19	1,99	—	—	8,29	35,11	—	—	4,19	9,72
July	8,78	—	—	84	—	—	6	1,04	19	2,14	—	—	7,88	37,46	—	—	4,23	9,58
August	9,14	—	—	87	—	—	14	1,17	28	2,21	—	—	7,52	39,32	—	—	4,27	9,52
September	9,44	—	—	89	—	—	9	1,23	23	2,10	—	—	7,40	37,65	—	—	4,30	6,03
October	9,77	—	—	91	—	—	10	1,29	23	1,79	—	—	6,08	37,73	—	—	4,33	7,87
November	10,10	—	—	93	—	—	10	1,35	19	1,49	—	—	6,52	38,13	—	—	4,36	8,31
December	10,43	—	—	95	—	—	8	1,41	22	1,30	—	—	7,09	38,71	—	—	4,39	8,91
January	10,74	—	—	97	—	—	8	1,47	75	1,87	—	—	6,52	39,23	—	—	4,42	8,93
February	11,01	—	—	99	—	—	9	1,55	95	2,68	—	—	7,34	40,30	—	—	4,45	9,58
March	11,36	—	—	1,02	—	—	17	1,71	99	3,58	—	—	12,14	45,09	—	—	4,46	14,86
Total	11,36	—	—	1,02	—	—	1,18	4,61	4,61	3,58	23,79	40,60	88,96	45,09	—	—	4,46	1,12,76
1950-51																		
April	11,64	—	—	1,03	—	—	11	1,80	22	3,73	—	—	7,94	46,31	—	—	4,48	9,66
May	11,93	—	—	1,05	—	—	8	1,86	19	3,86	—	—	9,00	47,72	—	—	4,50	10,57
June	12,22	—	—	1,10	—	—	7	1,91	14	3,95	—	—	8,71	49,84	—	—	4,52	10,62
July	12,50	—	—	1,17	—	—	9	1,98	23	4,13	—	—	8,28	51,83	—	—	4,54	10,44
August	12,87	—	—	1,25	—	—	6	2,01	18	4,26	—	—	8,30	53,54	—	—	4,56	10,28
September	13,22	—	—	1,32	—	—	6	2,07	15	4,36	—	—	7,31	54,39	—	—	4,58	9,40
October	13,62	—	—	1,39	—	—	5	2,11	13	4,45	—	—	7,16	54,77	—	—	4,59	9,01
November	14,08	—	—	1,48	—	—	6	2,17	15	4,56	—	—	7,28	54,77	—	—	4,60	9,28
December	14,49	—	—	1,55	—	—	6	2,21	13	4,64	—	—	7,46	55,20	—	—	4,61	9,52
January	14,97	—	—	1,63	—	—	9	2,28	16	4,75	—	—	8,17	55,81	—	—	4,62	10,12
February	15,42	—	—	1,70	—	—	9	2,34	19	4,88	—	—	8,08	56,59	—	—	4,63	10,19
March	15,88	—	—	1,78	—	—	8	2,40	18	4,99	—	—	9,78	58,82	—	—	4,64	12,01
Total	15,88	—	—	1,78	20,63	50,43	94	2,40	2,05	4,99	23,62	57,82	97,48	58,82	—	—	4,64	1,21,10

Note.—Figures relate to the Indian Union; the outstandings do not include the Indian Union's share of the pre-partition liabilities.
* For figures relating to Treasury Savings Deposit Certificates see para. 72.

STATEMENT 71

CENTRAL AND STATE GOVERNMENT LOANS

(AS ON 31 MARCH 1951)

(Reference paragraph 74)

(Lakhs of Rupees)

Central Government Loans		Amount outstanding	State Government Loans		Amount outstanding
3 % Loan, 1951-54		86,72.72	3 % Assam Loan, 1952	..	26.36
3 % „ 1953-55	..	114,60.58	3 % Madhya Pradesh, 1952	..	47.16
2½ % „ 1954	..	35,06.06	3 % „ 1955	..	50.00
3½ % „ 1954-59	..	12,86.54	3 % „ 1956	..	50.54
2½ % „ 1955	..	60,45.01	3 % „ 1958	..	52.70
4½ % „ 1955-60	..	9,05.64	3 % „ 1960	..	1,01.45
3 % Victory Loan, 1957	..	114,06.89	3 % „ 1964	..	2,03.29
4½ % Loan, 1958-68	..	5,85.19			5,05.14
3 % Second Victory Loan, 1959-61	..	113,65.64	3 % Bombay Loan, 1955	..	3,54.23
2½ % Loan, 1960	..	45,63.07	3 % „ 1956	..	3,50.00
4 % „ 1960-70	..	63,30.26	3 % „ 1958	..	3,44.00
2½ % „ 1961	..	57,00.69	3 % „ Development Loan, 1960	..	3,01.88
2½ % „ 1962	..	75,86.72	3 % Bombay Loan, 1962	..	6,00.16
3 % „ 1963-65	..	116,17.46			19,50.27
3 % „ 1964	..	30,33.10	3 % U.P. Loan, 1952	..	1,95.22
3 % Funding Loan, 1966-68	..	110,11.78	3 % „ 1958	..	3,18.73
3 % First Development Loan, 1970-75	..	115,05.83	3 % „ 1960	..	2,32.56
2½ % Loan, 1976	..	14,77.48	3 % „ 1961-66	..	1,67.32
3 % Loan, 1986 or Later (Conversion Loan of 1946)	..	248,91.90	2½ % „ 1961	..	2,37.19
3 % Non-terminable Loan	..	8,93.86	3½ % U.P.E.E. Act Bonds	..	2,46.68
		1,438,45.92			13,97.70
Loans not bearing interest	..	6,36.78	3 % Madras Loan, 1952	..	2,18.95
			3 % „ 1953	..	1,42.08
			3 % „ 1955	..	1,23.25
			3 % „ 1956	..	1,25.10
			3 % „ 1958	..	1,07.95
			3 % „ 1959	..	1,28.96
			3 % „ 1960	..	2,78.44
			3 % „ Development Bonds, 1960	..	4,39.75
			2½ % Madras Loan, 1961	..	3,85.27
					19,49.75
Total	..	1,444,82.70	Total	..	58,29.22

STATEMENT 72

FINANCING OF INTERNATIONAL TRANSACTIONS *

(Reference paragraph 75)

(Crores of Rupees)

					1949	1950
A. Goods and Services :						
Exports, <i>f.o.b.</i>	..	..	..	..	+425.8	+540.0
Imports, <i>c.i.f.</i>	..	..	..	..	-628.3	-509.5
Trade balance	..	..	..	..	-202.5	+30.5
Non-monetary gold	..	..	..	..	—	—
Investment income	..	..	..	..	-17.9	-22.8
Government	..	..	..	..	-13.0	-5.9
Other	..	..	..	..	+53.8	+49.2
Total	..	..	..	..	-179.6	+51.0
B. Private Donations and Capital Movements :						
Donations	..	..	..	..	+10.3	+10.5
Long-term capital	..	..	..	..	-18.5	-9.0
Short-term capital	..	..	..	..	-3.6	-0.1
Total	..	..	..	..	-11.8	+1.4
C. Special Official Financing :						
Amortization and contractual repayments	..	..	..	..	+7.6	+7.2
IBRD. loans	..	..	..	..	+7.0	+9.5
Total	..	..	..	..	+14.6	+16.7
D. Extraordinary Transactions with the U. K.:						
Purchase of defence stores and installations	..	..	..	..	-11.9	—
Repatriation of sterling debt	..	..	..	..	—	—
Reduction in sterling balances	..	..	..	..	+11.9	—
Total	..	..	..	..	—	—
E. Errors and Omissions						
	..	..	..	..	+13.3	-37.0
F. Surplus (+) or Deficit (-) (A to E)						
	..	..	..	..	-163.4	+32.3
G. Compensatory Official Financing†						
Barter deals	..	..	..	..	+10.9	..
Loans to foreign governments	..	..	..	..	+4.6	—
Bank loans	..	..	..	..	—	-0.8
Use of IMF resources	..	..	..	..	+10.5	—
Rupce securities held by foreign official institutions	..	..	..	..	-6.5	-1.9
Long-term British securities	..	..	..	..	+5.0	+1.5
Other short-term liabilities	..	..	..	..	-2.4	-8.0
Foreign exchange assets (mostly sterling balances)	..	..	..	..	+141.3	-23.2
Total	..	..	..	..	+163.4	-32.3

* Transactions with Pakistan excluded.

† Financing undertaken by monetary authorities to cover a surplus or deficit in the rest of the balance of payments.

STATEMENT 73

INDIA'S BALANCE OF PAYMENTS

(January 1949—December 1950)

(A) CURRENT ACCOUNT (a)

(Reference paragraph 75)

	January-June 1949			July-December 1949			January-June 1950			July-December 1950		
	Receipts		Net	Receipts		Net	Receipts		Net	Receipts		Net
	Payments			Payments			Payments			Payments		
1. Merchandise (b) (Exports f.o.b. Imports c.i.f.)	190.5	392.9	-202.4	235.5	247.2	-11.7	242.0	252.1	-10.1	298.1	257.2	+40.9
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	..	4.6	-4.6	..	4.4	-4.4	..	5.7	-5.7	..	8.4	-8.4
4. Transportation (c)	..	11.8	5.4	13.7	4.6	+9.1	12.2	5.1	+7.1	14.5	4.3	+10.2
5. Insurance	..	2.5	1.5	2.4	1.1	+1.3	2.5	1.7	+0.8	2.8	1.7	+1.1
6. Investment Income (d)	..	5.3	14.3	5.7	14.6	-8.9	3.6	15.2	-11.6	3.8	15.0	-11.2
7. Government not included elsewhere (e)	14.6	17.4	-2.8	8.6	18.8	-10.2	13.4	16.6	-3.2	9.1	11.8	-2.7
8. Miscellaneous (f)	..	11.1	1.8	9.1	1.6	+7.5	11.5	1.5	+10.0	11.2	5.9	+5.3
9. Donations (g)	..	7.9	2.9	8.0	2.7	+5.3	7.9	2.7	+5.2	8.0	2.7	+5.3
9.1. Unclassified	..	16.7	5.3	21.2	4.7	+16.5	19.1	4.5	+14.6	18.4	4.5	+13.9
10. Total Current Transactions	260.4	446.1	-185.7	304.2	299.7	+4.5	312.2	305.1	+7.1	365.9	311.5	+54.4
Errors and Omissions	..	..	+27.8	..	..	-8.5	..	..	-13.9	..	..	-23.1

(a) Excludes transactions with Pakistan and Afghanistan. (b) Data for 1949 alone include transactions under Government barter deals. The payments figure for the first half of 1949 includes an extraordinary payment to the U. K. of Rs. 11.9 crores for the purchase of defence stores under the Financial Agreements of July 1948. (c) Covers on the receipts side, estimated amount, for re-imbursment of freight paid in advance by exporters and disbursements of foreign ships in Indian ports, etc., and on the payments side, operating expenses abroad of Indian steamship companies and some freight payments. (d) Receipts include interest on investments of the Reserve Bank of India. The payments figures are estimates. (e) The payments figures represent disbursements of the Government such as those for the upkeep of its organisations abroad and contributions to international organisations. (f) Covers mainly receipts and payments for services such as those for film rentals, technicians and agency services. (g) Comprises unilateral transfers like maintenance allowance and receipts of missionaries.

(B) CAPITAL ACCOUNT (h)

Net Movement Increasing (+) or Decreasing (—)

Movement of Capital and Monetary Gold	January-June 1949			July-December 1949			January-June 1950			July-December 1950		
	Assets	Liabilities	Net Assets	Assets	Liabilities	Net Assets	Assets	Liabilities	Net Assets	Assets	Liabilities	Net Assets
Private (excluding banking institutions):												
11.0 Long-term Capital	2.2	-14.3	+12.1	-2.6	-9.9	+7.3	-4.7	-9.0	+4.3	-2.4	-10.1	+7.7
12.0 Short-term Capital	0.3	-1.7	+2.0	-0.7	-0.3	-0.4	..	-0.6	-0.6	..	-0.5	+0.5
Official and Banking Institutions:												
13.0 Long-term Capital												
13.1 Official Loans (i)	4.6	..	-4.6	..	-7.0	-7.0	..	+7.8	-7.8	..	-1.7	-1.7
13.2 Bank Loans	..	..	..	..	..	..	..	..	..	..	..	..
13.3 Portfolio Securities (j)	..	-14.1	+14.1	-5.0	-7.6	-12.6	-1.5	-2.8	-4.3	..	-1.7	+1.7
13.4 Amortization	3.8	-1.1	-2.7	-3.8	-1.2	-2.6	-3.9	-1.2	-2.7	-3.8	-1.6	-2.3
13.5 Other contractual re-payments	..	..	..	..	..	..	..	..	..	..	..	..
13.6 Other	..	..	..	..	..	..	..	..	..	..	..	..
14.0 Short-term Capital												
14.1 Payments and Clearing Agreements	..	..	..	..	..	..	..	..	..	..	..	..
14.2 Liabilities to IMF and IBRD	..	+10.5	-10.5	..	..	..	..	..	..	..	..	..
14.3 Other Liabilities to official and banking institutions (k)	..	6.0	-6.0	..	-7.2	-7.2	..	-5.6	-5.6	..	-3.1	+3.1
14.4 Other (l)	170.8	-2.5	-168.3	+5.5	+1.4	+4.1	-0.7	-0.6	-1.3	-21.4	-0.9	+22.3
15.0 Monetary Gold	..	..	..	..	..	..	..	..	..	..	..	..
16.0 Total Movement of Capital and Monetary Gold	-181.1	-17.2	-163.9	-6.6	-2.6	-4.0	-10.8	-4.0	-6.8	-15.2	-16.1	-31.3

(h) The Capital Account as shown here excludes entries in respect of the additional payments in rupees made to the IMF and IBRD after the devaluation of the rupee in order to maintain the gold value of the rupee holdings of these institutions. (i) Includes repayment of loan by Niam on the assets side and drawings from the IBRD loans on the liabilities side. (j) Includes repatriation of sterling stock and movement in rupee securities held on account of foreigners on the liabilities side and long-term sterling securities on the assets side. (k) Includes movement in rupee balances held by non-resident banks and official institutions, foreign exchange liabilities of Authorised Dealers and Treasury bills held by foreign official institutions. (l) Includes mainly the changes in sterling assets, India Supply Mission balances in the U.S.A. and Canada, High Commissioner's balances in London and foreign exchange assets of Authorised Dealers.

STATEMENT 74

INDIA'S BALANCE OF PAYMENTS

(January 1949—December 1950)

CURRENT ACCOUNT—REGION-WISE (Reference paragraph 75)

	January-June 1949			July-December 1949			January-June 1950			(Crores of Rupees) July-December 1950		
	Receipts Payments			Receipts Payments			Receipts Payments			Receipts Payments		
	Net			Net			Net			Net		
A. Sterling Area (excluding Pakistan)—												
1. Merchandise												
(a) Private	98.5	131.1	-32.6	129.6	97.9	+31.7	128.1	90.3	+37.8	163.5	104.0	+59.5
(b) Govt. food and other stores	—	56.1*	-56.1	0.2	39.1	-38.9	—	32.5	-32.5	—	43.7	-43.7
2. Gold (Non-monetary)	—	—	—	—	—	—	—	—	—	—	—	—
3. Services												
(a) Foreign travel, transportation and insurance	9.7	6.5	+3.2	11.4	5.7	+5.7	9.9	6.1	+3.8	12.1	6.5	+5.6
(b) Investment Income	5.3	10.9	-5.6	5.6	10.7	-5.1	3.5	12.0	-8.5	3.7	10.9	-7.2
(c) Govt. transactions (not included elsewhere)	14.1	14.7	-0.6	8.5	16.6	-8.1	13.3	14.4	-1.1	9.1	10.4	-1.3
(d) Miscellaneous	10.6	—	+10.6	8.6	—	+8.6	11.2	0.2	+11.0	10.1	2.1	+8.0
4. Donations	6.4	2.4	+4.0	5.8	2.2	+3.6	5.7	2.2	+3.5	5.6	2.3	+3.3
5. Unclassified	12.8	3.8	+9.0	16.0	3.6	+12.4	14.5	3.4	+11.1	14.1	3.6	+10.5
Total	157.5	225.5	-68.0	185.9	175.8	+10.1	186.2	161.1	+25.1	218.2	183.6	+34.6
B. Hard Currency Area—												
1. Merchandise												
(a) Private	49.3	65.2	-15.9	69.7	44.0	+25.7	81.0	68.7	+12.3	89.7	32.3	+57.4
(b) Govt. food and other stores	6.5	46.0	-39.5	0.1	17.0	-16.9	—	19.8	-19.8	—	19.4	-19.4
2. Gold (Non-monetary)	—	—	—	—	—	—	—	—	—	—	—	—

3. Services

(a) Foreign travel, transportation and insurance

2.3 2.4 - 0.1 2.4 1.9 + 0.5 2.7 2.4 + 0.3 2.7 1.9 + 0.8

(b) Investment Income ..

3.1 - 3.1 - 3.8 3.8 3.8 - 3.8 0.1 3.1 - 3.0 0.1 4.0 - 3.9

(c) Govt. transactions (not included elsewhere) ..

2.0 - 2.0 0.1 1.9 - 1.8 0.2 1.5 - 1.3 - 0.6 - 0.6

(d) Miscellaneous ..

0.1 0.5 - 0.4 0.2 0.9 - 0.7 0.1 0.7 - 0.6 0.9 0.9 -

4. Donations ..

1.4 0.3 + 1.1 2.0 0.3 + 1.7 2.1 0.3 + 1.8 2.3 0.4 + 1.9

5. Unclassified ..

2.1 1.3 + 0.8 2.2 0.9 + 1.3 2.4 0.9 + 1.5 2.4 0.7 + 1.7

Total ..

61.7 120.8 -59.1 76.7 70.7 + 6.0 88.6 97.4 - 8.8 98.1 60.3 + 37.8

C. Other Areas—

1. Merchandise

(a) Private ..

35.7 65.5 -29.8 34.8 40.0 - 5.2 33.0 33.7 - 0.7 44.9 48.7 - 3.8

(b) Govt. food and other stores ..

0.5 29.0 -28.5 1.1 9.3 - 8.2 - 7.1 - 7.1 - 9.0 - 9.0

2. Gold (Non-monetary) ..

- - - - - - - - - - -

3. Services

(a) Foreign travel, transportation and insurance

2.3 2.5 - 0.2 2.2 2.5 - 0.3 2.0 4.0 - 2.0 2.5 5.9 - 3.4

(b) Investment Income ..

0.3 0.3 - 0.3 - 0.1 - 0.1 - 0.2 - 0.1 - 0.1

(c) Govt. transactions (not included elsewhere) ..

0.4 0.7 - 0.3 - 0.3 - 0.3 - 0.8 - 0.8 - 0.8

(d) Miscellaneous ..

0.3 1.4 - 1.1 0.3 0.6 - 0.3 0.2 0.6 - 0.4 0.2 3.0 - 2.8

4. Donations ..

0.1 0.2 - 0.1 0.1 0.2 - 0.1 0.1 0.2 - 0.1 0.1 - 0.1

5. Unclassified ..

1.8 0.1 + 1.7 2.9 0.2 + 2.7 2.2 0.1 + 2.1 2.0 0.1 + 1.9

Total ..

41.2 99.7 -58.5 41.4 53.2 -11.8 37.5 46.7 - 9.2 49.7 67.6 - 17.9

* Includes payment of Rs. 11.9 crores to the U.K. for military stores.

† Comprise, for the first half of 1949, the United States, other American Account countries, Canada, Belgium, Germany, Japan, Portugal and its possessions (excluding those in India), Argentina and Paraguay. For the second half of 1949, Switzerland is included but Portugal and its possessions (excluding those in India) are excluded. From May 1950, Liberia came to be treated as a hard currency country and Paraguay was removed from the list. For the second half of 1950, Belgium and Germany were excluded from August and Switzerland from November.

STATEMENT 75

INDIA'S BALANCE OF TRADE FOR THE YEARS 1949 AND 1950 (Reference paragraphs 75 & 76)

Period	Sterling Area		Hard Currency Area		Other Areas		(Crores of Rupees)	
	Receipts	Payments	Receipts	Payments	Receipts	Payments	Receipts	Payments
Jan. to Mar. 1949	47.0	68.0	24.0	32.1	16.7	35.2	89.7	135.3
Private Government	29.8	29.8	16.2	23.1	9.1	18.5	89.7	135.3
Total	47.0	97.8	32.2	61.4	16.7	44.3	95.9	197.5
April to June 1949	51.5	63.1	23.2	33.1	19.0	30.4	93.7	126.6
Private Government	20.5	30.5	0.3	16.6	0.5	19.4	0.8	37.0
Total	51.5	83.6	23.5	49.7	19.5	50.3	94.5	183.6
July to Sept. 1949	57.5	51.4	26.7	25.5	16.6	26.5	100.8	103.4
Private Government	9.1	22.1	0.1	9.3	1.1	6.2	1.3	37.6
Total	57.6	73.5	26.8	34.8	17.7	32.7	102.1	141.0
Oct. to Dec. 1949	72.1	46.5	42.9	18.4	18.2	13.5	133.2	78.4
Private Government	0.1	17.0	7.7	7.7	3.1	3.1	0.1	27.8
Total	72.2	63.5	42.9	26.1	18.2	16.6	133.3	106.2
Jan. to Dec. 1949	228.1	228.1	118.8	100.1	70.5	105.6	417.4	443.7
Private Government	0.2	83.4	6.6	62.0	1.6	33.3	8.4	184.6
Total	228.3	312.4	125.4	172.0	72.1	143.9	425.8	628.3
Jan. to Mar. 1950	66.1	39.4	45.3	30.9	17.0	17.0	129.4	87.3
Private Government	18.3	18.3	9.2	9.2	4.4	4.4	31.9	31.9
Total	66.1	57.7	45.3	40.1	18.0	21.4	129.4	119.2
April to June 1950	61.9	50.9	35.7	37.8	14.9	16.8	112.5	105.5
Private Government	14.2	14.2	10.6	10.6	2.7	2.7	27.5	27.5
Total	61.9	65.1	35.7	48.4	14.9	19.5	112.5	133.0
July to Sept. 1950	70.1	50.6	30.8	15.5	24.7	24.7	128.1	90.8
Private Government	23.6	23.6	2.9	2.9	3.9	3.9	30.4	30.4
Total	70.1	74.2	39.8	18.4	18.2	28.6	128.1	121.2
Oct. to Dec. 1950	93.5	53.4	49.9	16.8	26.6	24.0	170.0	94.2
Private Government	20.2	20.2	16.6	16.6	5.1	5.1	41.9	41.9
Total	93.5	73.6	49.9	33.4	26.6	29.1	170.0	136.1
Jan. to Dec. 1950	291.6	194.3	170.7	101.0	77.7	82.5	540.0	377.8
Private Government	76.3	76.3	39.3	39.3	16.1	16.1	131.7	131.7
Total	291.6	270.6	170.7	140.3	77.7	98.6	540.0	509.5

Note.—Transactions with Pakistan are excluded; the figures for 1950 do not include barter transactions. * The figure excludes the extraordinary payments for the purchase of defence stores from the U.K.

Source : Exchange Control Department, Reserve Bank of India.

STATEMENT 76

INDIA'S IMPORTS OF PRINCIPAL COMMODITIES

(Reference paragraph 76)

(Lakhs of Rupees)

Commodities	January-March 1950	April-June 1950	July-September 1950	October-December 1950	January-March 1951	January-December 1950	April 1950-March 1951
<i>Class I</i>							
Fruits and Vegetables ..	2,18	92	1,10	3,98	3,45	8,18	9,45
Grain, Pulse and Flour* ..	18,94	9,91	16,73	23,64	28,77	68,32	78,15
Provisions and Oilman's Stores ..	1,29	1,29	1,55	1,64	1,32	5,77	5,80
Spices	78	92	1,63	1,98	1,39	4,71	5,32
Tobacco	83	1	1,01	72	1,02	2,57	2,76
Others	30	40	74	83	69	2,27	2,66
Total for the Group ..	24,32	12,55	22,16	32,79	36,64	91,82	104,14
<i>Class II</i>							
Non-metallic mining and quarry products and the like ..	55	84	79	64	69	2,82	2,96
Oils—Vegetable, Mineral and Animal	11,14	15,07	17,34	15,30	11,53	58,85	59,24
Cotton, Raw and Waste ..	11,95	37,29	30,46	7,10	25,64	86,80	100,49
Wool, Raw	34	95	1,36	1,66	1,58	4,31	5,55
Others	4,37	8,16	5,95	3,08	9,65	23,56	28,24
Total for the Group ..	28,35	62,31	55,90	29,78	48,49	176,34	196,48
<i>Class III</i>							
Chemicals, Drugs and Medicines	2,24	3,25	4,30	5,79	5,95	15,58	19,29
Cutlery and Hardware ..	2,48	3,03	2,97	3,44	4,90	11,92	14,34
Dyes and Colours	2,14	3,28	2,12	3,05	6,15	10,58	14,60
Electrical Goods and apparatus ..	2,09	2,70	3,72	1,99	1,97	10,50	10,38
Machinery of all kinds ..	22,20	24,68	20,26	18,85	20,58	85,99	84,37
Metals—Iron and Steel and Manufactures thereof ..	3,30	3,09	6,34	3,57	4,79	16,30	17,59
Metals—Other than Iron and Steel and Manufactures thereof ..	3,52	4,64	8,73	9,18	5,20	26,07	27,75
Paper, Pasteboard and Stationery	1,36	1,55	2,45	2,47	3,93	7,83	10,40
Vehicles	3,29	5,67	6,18	5,44	6,64	20,58	23,93
Cotton Yarns and Manufactures	77	35	29	80	92	2,21	2,36
Woollen Yarns and Manufactures	11	24	42	73	26	1,50	1,65
Other Yarns and Textile Fabrics	51	1,52	2,36	3,59	8,28	7,89	15,66
Others	2,83	3,27	3,77	3,89	4,78	13,77	15,71
Total for the Group ..	46,84	57,27	63,91	62,70	74,15	230,72	258,03
TOTAL FOR ALL GROUPS	100,47	132,69	142,42	125,80	159,92	501,38	560,83

Note.—Imports from Pakistan have been excluded.

* Excludes certain consignments of foodstuffs imported on Government Account awaiting adjustment.

Source: Customs Returns.

STATEMENT 77

IMPORTANT IMPORTS FROM THE UNITED STATES

(Reference paragraph 76)

(Lakhs of Rupees)

Commodities	January-March 1950	April-June 1950	July-September 1950	October-December 1950	January-March 1951	January-December 1950	April 1950-March 1951
Tobacco (unmanufactured) ..	62	—	1,01	64	70	2,27	2,44
Provisions and Oilman's Stores	1	2	8	10	7	21	28
Manures ..	—	1,94	1,65	—	54	3,59	4,13
Cotton, Raw ..	1,50	18,64	13,58	74	7,60	34,46	40,56
Metals and Ores ..	1,97	1,32	1,59	1,69	1,92	6,57	6,51
Mineral Oils ..	1,37	1,41	1,13	1,26	1,51	5,17	5,31
Chemicals, Drugs and Medicines ..	74	94	1,39	2,29	1,75	5,36	6,38
Dyes and Colours ..	29	15	3	24	58	71	1,00
Electrical Goods and Apparatus	20	22	22	17	26	81	87
Hardware ..	14	21	15	14	13	64	63
Printing and Lithographic machines ..	7	9	3	3	3	22	18
Machinery of all kinds ..	3,91	4,56	3,58	3,10	3,45	15,15	14,68
Vehicles (Motor cars and Omnibuses) ..	80	1,89	2,12	1,35	2,30	6,16	7,66
Total (all commodities) ..	15,35	32,81	32,09	20,43	30,48	1,00,68	115,81

STATEMENT 78

IMPORTANT EXPORTS TO THE UNITED STATES

(Reference paragraph 76)

(Lakhs of Rupees)

Commodities	January-March 1950	April-June 1950	July-September 1950	October-December 1950	January-March 1951	January-December 1950	April 1950-March 1951
Tea ..	2,16	84	2,44	1,76	2,91	7,20	7,95
Spices ..	3,57	1,73	2,99	2,66	6,98	10,95	14,36
Cashew Kernels ..	73	1,12	1,64	2,31	1,94	5,80	7,01
Mica ..	1,90	1,94	1,58	1,09	2,26	6,51	6,87
Manganese Ore ..	1,97	1,40	1,10	61	29	5,08	3,40
Lac ..	1,03	50	1,29	86	2,15	3,68	4,81
Hides and Skins, Raw ..	96	80	1,22	1,00	1,19	3,98	4,21
Jute, Raw ..	23	5	—	—	—	28	5
Cotton, Raw ..	99	12	27	14	1,66	1,52	2,19
Jute Manufactures :							
Gunny Cloth ..	9,59	6,66	8,80	8,51	6,12	33,56	30,09
Gunny Bags ..	—	2	8	2	4	12	16
Hides and Skins (tanned) ..	68	52	82	91	1,76	2,92	4,01
Total (all commodities including re-exports) ..	27,80	18,65	27,30	28,70	38,72	1,02,45	113,37

STATEMENT 79

INDIA'S EXPORTS* OF PRINCIPAL COMMODITIES

(Reference paragraph 76)

(Lakhs of Rupees)

Commodities	January- March 1950	April- June 1950	July- September 1950	October- December 1950	January- March 1951	January- December 1950	April 1950- March 1951
<i>Class I</i>							
Fish	62	37	57	84	67	2,40	2,45
Fruits and Vegetables ..	1,67	1,71	2,31	3,31	3,11	9,00	10,45
Spices	6,96	3,37	4,80	5,62	10,76	20,75	24,55
Tea	15,70	8,48	19,13	26,72	23,74	70,03	78,07
Tobacco	2,64	3,45	4,12	3,08	2,26	13,29	12,91
Others	92	70	67	45	65	2,74	2,46
Total for the Group ..	28,51	18,08	31,60	40,02	41,19	118,21	130,89
<i>Class II</i>							
Non-metallic mining and quarry products and the like	2,60	2,61	2,25	1,95	3,47	9,41	10,28
Gums, Resins and Lac ..	2,89	1,83	3,10	3,70	4,96	11,52	13,59
Hides and Skins, Raw ..	2,25	1,95	2,15	2,37	3,09	8,72	9,56
Metallic Ores and Scrap Iron or Steel for re-manufacture	3,07	2,01	1,97	1,48	1,47	8,53	6,93
Oils—Vegetable, Mineral and Animal	3,18	1,58	2,08	6,08	14,93	12,92	24,67
Seeds	7,47	2,33	2,10	6,10	6,71	18,00	17,24
Cotton, Raw and Waste ..	7,15	2,97	3,19	4,53	6,62	17,84	17,31
Jute, Raw and Waste ..	69	6	—	—	—	75	6
Wool, Raw and Waste ..	1,40	1,38	75	1,60	4,14	5,13	7,87
Other Textile Materials ..	40	25	20	18	66	1,03	1,29
Others	2,34	2,14	2,85	3,05	3,61	10,38	11,65
Total for the Group ..	33,44	19,11	20,64	31,04	49,66	1,04,23	120,45
<i>Class III</i>							
Hides and Skins, tanned or dressed and Leather ..	9,49	3,57	4,29	5,06	12,44	22,41	25,36
Cotton Yarns and Manufactures	33,02	20,16	22,42	36,66	52,26	112,26	131,51
Jute Yarns and Manufactures	32,91	25,68	28,94	29,62	27,01	117,15	111,25
Woollen Yarns and Manufactures	94	1,28	1,29	1,63	1,80	5,14	6,00
Others	6,79	5,08	6,45	8,91	11,49	27,23	31,93
Total for the Group ..	83,15	55,77	63,39	81,88	105,00	284,19	306,05
TOTAL FOR ALL GROUPS	145,73	93,45	116,18	153,65	196,59	509,01	559,87

Note.—Exports to Pakistan have been excluded. * Indian Merchandise.

Source : Customs Returns.

STATEMENT 80

EXPORTS OF GUNNY CLOTH AND GUNNY BAGS TO PRINCIPAL COUNTRIES

(Reference paragraph 76)

(Lakhs of Rupees)

Principal Countries	January-March 1950	April-June 1950	July-September 1950	October-December 1950	January-March 1951	January-December 1950	April 1951
GUNNY CLOTH							
<i>Sterling Area Countries :</i>							
U. K.	1,02	1,07	1,05	1,28	1,01	4,42	4,41
Australia	45	28	63	53	37	1,89	1,81
<i>Other Soft Currency Countries :</i>							
Egypt	10	16	18	18	18	62	70
Uruguay	8	4	15	6	7	33	32
Argentina	3,80	2,18	1,25	2,71	2,87	9,94	9,01
<i>Dollar Countries :</i>							
U.S.A.	9,59	6,66	8,80	8,51	6,12	33,56	30,09
Canada	1,20	1,02	1,28	64	81	4,14	3,75
Philippines	13	20	6	8	5	47	39
Total (all countries excluding Pakistan) ..	16,56	12,22	13,73	14,53	11,77	57,04	52,25
GUNNY BAGS							
<i>Sterling Area Countries :</i>							
U. K.	41	51	30	43	32	1,65	1,56
Australia	3,36	2,13	2,59	3,82	3,16	11,90	11,70
Burma	50	29	31	83	78	1,93	2,21
Nigeria	1	68	23	3	13	95	1,07
Kenya Colony, Zanzibar and Pemba	44	33	41	55	24	1,73	1,53
<i>Other Soft Currency Countries :</i>							
Egypt	1,50	65	40	1,03	71	3,58	2,79
Chile	36	15	31	32	38	1,14	1,16
China	44	13	1,17	28	1,62	2,02	3,20
<i>Dollar Countries :</i>							
U.S.A.	—	2	8	2	4	12	16
Cuba	1,35	1,54	1,97	1,72	1,80	6,58	7,03
Total (all countries excluding Pakistan) ..	14,86	11,93	13,59	13,90	13,50	54,28	52,92

Source: Customs Returns.

STATEMENT 81

EXPORTS OF TEA TO PRINCIPAL COUNTRIES

(Reference paragraph 76)

(Lakhs of Rupees)

Principal Countries	January-March 1950	April-June 1950	July-September 1950	October-December 1950	January-March 1951	January-December 1950	April 1950-March 1951
<i>Sterling Area Countries :</i>							
U. K.	7,40	4,71	11,60	17,05	13,20	40,85	46,65
Irish Republic	83	43	75	2,14	2,01	4,15	5,33
Australia	57	28	80	1,13	1,00	2,78	3,21
<i>Other Soft Currency Countries :</i>							
U.S.S.R.	47	—	—	—	—	47	—
Iran	48	34	40	98	1,46	2,20	3,18
Arabia	19	30	31	74	17	1,54	1,52
<i>Dollar Countries :</i>							
U.S.A.	2,16	84	2,44	1,76	2,91	7,20	7,95
Canada	1,52	65	1,37	1,23	1,04	4,77	4,29
Total (all countries excluding Pakistan) ..	15,70	8,50	19,13	26,72	23,74	70,05	78,09

Source : Customs Returns.

STATEMENT 82

EXPORTS OF COTTON PIECEGOODS TO PRINCIPAL COUNTRIES

(Reference paragraph 76)

(Lakhs of Rupees)

Principal Countries	January-March 1950	April-June 1950	July-September 1950	October-December 1950	January-March 1951	January-December 1950	April 1950-March 1951
<i>Sterling Area Countries :</i>							
Malaya	6,30	4,53	4,25	7,37	14,48	22,45	30,63
Aden and Dependencies	2,40	1,30	1,19	1,28	2,40	6,17	6,17
Ceylon	2,57	1,33	2,03	2,12	3,71	8,05	9,19
Nigeria	96	61	89	78	1,14	3,24	3,42
Tanganyika	27	41	46	30	28	1,50	1,51
Kenya Colony and Zanzibar and Pemba	81	67	72	74	80	2,94	2,93
Australia	97	1,24	1,49	76	2,27	4,46	5,76
Burma	1,42	33	1,34	9,12	1,68	12,21	12,47
<i>Other Soft Currency Countries :</i>							
A.E. Sudan	1,13	90	39	34	1,01	2,76	2,64
Arabia	80	67	65	61	99	2,82	2,92
Total (all countries excluding Pakistan) ..	25,56	17,90	18,71	29,92	45,48	92,09	112,01

Source : Customs Returns.

STATEMENT 83

INDIA'S BALANCE OF TRADE IN MERCHANDISE, 1950-51

(Private and Government)

(Reference paragraph 76)

(Lakhs of Rupees)

1949-50				1950-51			
Imports	Exports	Re-exports	Total Exports	Imports	Exports	Re-exports	Total Exports
Balance of Trade				Balance of Trade			
Month				Month			
April	36.37 (4.07)	41	36.78 (4.07)	..	39.18 (7.7)	31.82 (54)	32.34 (54)
May	31.93 (3.85)	35	32.28 (3.85)	..	52.10 (2.97)	34.01 (96)	34.49 (96)
June	30.32 (2.24)	35	31.17 (2.24)	..	50.81 (3.31)	33.33 (1.22)	33.66 (1.22)
July	31.97 (2.30)	70	32.67 (2.30)	..	46.33 (4.54)	37.00 (1.07)	37.44 (1.07)
August	37.38 (3.45)	38	37.76 (3.45)	..	60.98 (7.02)	43.87 (2.23)	43.60 (2.23)
September	37.15 (3.09)	35	37.50 (3.09)	..	55.62 (6.95)	48.25 (3.11)	48.40 (3.11)
October	38.45 (1.21)	62	37.07 (1.21)	..	40.56 (4.24)	56.47 (1.67)	56.76 (1.67)
November	54.30 (2.65)	38	54.68 (2.65)	..	44.14 (1.46)	54.17 (1.77)	54.53 (1.77)
December	52.98 (1.95)	82	53.80 (1.95)	..	47.97 (2.39)	51.13 (1.42)	51.39 (1.42)
January	47.03 (2.2)	63	47.66 (2.2)	..	55.49 (2.48)	57.28 (1.19)	57.65 (1.19)
February	44.27 (2.9)	48	44.75 (2.9)	..	53.23 (3.03)	61.46 (93)	61.96 (93)
March	57.12 (52)	60	57.72 (52)	..	57.75 (1.16)	82.01 (91)	82.81 (91)
Total	497.77 (31.47)	607	503.85 (25.84)	..	604.17 (39.31)	590.28 (17.02)	594.81 (17.02)
		(-)	(-5.63)			4.53	(-9.36)
						(-)	(-22.28)

Note.—(1) Figures relating to the transit trade of foreign countries passing through India have been excluded. (2) Figures include those for land frontier trade with Pakistan, which have been shown separately within brackets. (3) From April 1950 the figures include the foreign air-borne trade recorded at the Delhi airport.

Sources : Department of Commercial Intelligence and Statistics, Calcutta.

STATEMENT 84

INDO-PAKISTAN BALANCE OF PAYMENTS

(A) CURRENT ACCOUNT

(Reference paragraph 77)

(Crores of Rupees)

		July 1948 to June 1949	July 1949 to June 1950	January 1950 to December 1950	January 1950 to June 1950	July 1950 to December 1950
A. Imports	..	117.15	40.54	32.98	5.63	27.35
1. Raw Jute	..	80.22	20.02	17.94	2.85	15.09
2. Raw Cotton	..	17.33	2.30	0.32	0.05	0.27
3. Others (mainly hides and skins, betelnuts, cottonseed, fruits and vegetables, salt and cement)	..	19.00	9.22	14.72	2.73	11.90
B. Exports	..	83.09	34.84	30.98	8.43	22.55
1. Cotton Manufactures	..	17.45	2.96	7.36	0.32	7.04
2. Jute Manufactures	..	6.85	2.53	2.84	0.90	1.94
3. Coal	..	6.53	4.03	0.05	—	0.05
4. Vegetable Oil	..	6.85†	2.28	2.79	0.27	2.52
5. Tobacco	..	4.86	5.88	5.81	2.53	3.28
6. Silk Manufactures (including artificial silk)	..	4.74	0.79	0.80	0.23	0.57
7. Others (mainly chemicals, drugs, medicines, fruits and vegetables, hardware, iron and steel, leather, rubber, glass-ware, tea, spices, salt and re-exports)	..	35.81	16.37	11.33	4.18	7.15
C. Surplus (+) or Deficit (—)	..	—34.06	—5.70	—2.00	+2.80	—4.80
D. Net Disinvestment (+) or Investment (—) (vide Statement on Capital Account)	..	+6.08	+3.89	—3.23	+0.39	—3.62
E. Errors and Omissions	..	+27.98*	+1.81	+5.23	—8.19	+8.42

Note.—The figures are primarily based on Customs data but adjusted for coverage and valuation. * Includes transactions financed by India notes. † Relates to Mustard Oil only.

STATEMENT 24—Contd.

(B) KNOWN CAPITAL TRANSACTIONS BETWEEN INDIA AND PAKISTAN

(Reference paragraph 77)

(Decrease in foreign assets and increase in foreign liabilities, reflecting an inflow of capital are indicated by a (+) sign. Increase in foreign assets and decrease in foreign liabilities, reflecting an outflow of capital are indicated by a (—) sign.)

(Crores of Rupees)

	July 1948 to June 1949	July 1949 to June 1950	January 1950 to December 1950	January 1950 to June 1950	July 1950 to December 1950
1. Transfer of gold (at book value) and sterling assets under Partition arrangements and Payments agreement	+ 204.42	+ 11.66	+ 14.28	+ 11.66	+ 2.62
2. Repatriation of liabilities to Pakistan in respect of gold and sterling payable to Pakistan under Partition arrangements (offset to item 1 above)	- 226.44	—	- 2.62	—	- 2.62
3. Changes in rupee liabilities of the Reserve Bank of India	+ 12.83	+ 7.54	- 3.11	- 1.11	- 2.00
4. Changes in Pakistan rupee assets of the Reserve Bank of India	- 0.68	+ 0.66	- 0.01	- 0.01	—
5. Changes in liabilities of commercial banks	- 8.05	- 1.52	- 2.36	- 0.78	- 1.58
6. Changes in assets of commercial banks	- 6.47	- 5.00	+ 0.45	+ 0.10	+ 0.35
7. Known transactions in Indian and Pakistani securities, shares etc., canalised through					
(a) Reserve Bank of India	+ 33.98	- 11.66	- 11.66	- 11.66	—
(b) Commercial Banks	+ 1.25	+ 1.76	+ 1.90	+ 2.29	- 0.39
(c) Others	- 8.17	+ 0.55	—	—	—
8. Others	+ 3.41	- 0.10	- 0.10	- 0.10	—
Net Disinvestment (inflow of capital) or Investment (outflow of capital)	+ 6.08	+ 3.89	- 3.23	+ 0.39	- 3.62

STATEMENT 85

INDIA'S TRADE AGREEMENTS, 1950-51

(*Reference paragraph 79*)

Country	Date of Agreement	Duration	Important Imports into India	Important Exports from India
1. Czechoslovakia	.. 5 April 1950	31 March 1950 to 31 March 1951	Diesel engines, machine tools and tools for metal working, agricultural tractors and parts, textile machinery and parts, wireless reception instruments and parts, electric house service meters, motor-cycles, cycle chains, sporting arms and ammunition, tea chests shookees and not assembled, newspaper, writing and printing paper, etc.	Shellac, manganese ore, iron ore, raw jute, jute manufactures, cotton waste, pepper, coffee, groundnut kernels, raw goat skins, textiles-grey cloth, mica, animal hair, etc.
2. Switzerland	.. 15 April 1950	1 March 1950 to 28 February 1951	Equipment for machine tool factory, railway coaches, aluminium and products, watches and clocks, dyestuffs, textile chemicals, pharmaceuticals and other chemicals, textiles, etc.	Groundnuts and groundnut oil, linseed, hessian, coffee, manganese ore, tea, spices, etc.
3. Pakistan	.. 21 April 1950	Upto 31 July 1950 but subsequently extended upto 30 September 1950	Cotton seed, soda ash, handloom cloth, betelnuts, raw jute, hides and skins, etc.	Jute goods, spices, cotton textiles, mustard oil, tobacco, handloom cloth, steel sheets, timber, cement, etc.
	25 February 1951	26 February 1951 to 30 June 1952	Raw jute, raw cotton, hides and skins raw, rice, wheat, gram, cotton seed, gypsum, etc.	Coal, iron and steel products, hard timber, cement, jute manufactures, cotton textiles, mustard oil, etc.
4. Federal Republic of Germany and many.	4 July 1950 (amplified and supplemented in October 1950 and March 1951)	1 July 1950 to 30 June 1951	Chemicals and related products, machinery and metal products, non-ferrous metals, instruments and apparatus, iron and steel, etc.	Chemicals, coir yarn, raw jute, raw wool, fibres and bristles, manganese ore, mica, hides and skins, coffee, groundnut, spices, tea, tobacco, jute manufactures, woollen carpets, handicrafts, etc.

STATEMENT 85 —Contd.

(Reference paragraph 79)

Date of Agreement	Duration	Important Imports into India	Important Exports from India
Sweden			
1 July 1950 (subsequently extended again on 28 February 1951)	July-December 1950 (extended for the year 1951)	Chemical preparations, machinery including engines, printing equipment, machine tools, tractors, transformers, switchgear motors, cables, telephones, etc.	Cotton textiles, jute goods, raw wool and woollen manufactures, cotton waste, leather and leather goods, rubber goods, oils and oilseeds, tea, coffee, shellac, mica, manganese ore, etc.
15 July 1950 (subsequently extended again on 27 November 1950)	Original agreement extended for four months July-Oct. 1950. Extended again upto 31 October 1951	Chemicals and related products, machinery and metal products, cotton piecgoods and yarn, woollen yarn and piecgoods, paper, instruments and apparatus, iron and steel, staple fibre, newsprint, etc.	Chemicals, textiles, fibres and bristles, ores, mica, hides and skins, food and agricultural products, coffee, tea, tobacco, oilseeds and oils, etc.
29 August 1950	1 May 1950 to 30 April 1951	Ice-cream powder, chemical fertilisers, mechanical and chemical pulp, newsprint and paper of all sorts, cardboard and pasteboard, staple fibre, non-ferrous metals, ferro alloys, fishing vessels made from timber, etc.	Cotton textiles, jute goods, raw wool and woollen manufactures, cotton waste, leather and leather goods, rubber goods, sports goods, oils and oil-seeds, spices, cashew nuts, tea, coffee, tobacco, shellac, mica, etc.
10 October 1950	1 October 1950 to 30 September 1951	Lithophone, chemicals, drugs and medicines, glass sheets and plates, electric metres, machinery, railway accessories, electrical appliances, etc.	Hides and skins, tea black, manganese ore, shellac, cotton waste, niger seed, essential oils, hemp, chrome ore, dyeing and tanning substances, etc.
29 November 1950	1 July 1950 to 30 June 1951	Diesel engines and parts, industrial machines, heavy electrical equipments, iron and steel manufactures, non-ferrous metals, rayon yarn, raw silk, staple fibre, dyestuffs, etc.	Groundnuts, cotton wool, tea, iron ore, manganese ore, mica, hides and skins, tobacco leaf, spices, coir, palmyra fibre, shellac, coal, castor seeds, etc.
Letters exchanged on 6 January 1951	For the year 1951	Raw zinc, zinc dust, zinc sheets, water metres, steel bottles, optical glasses, optical instruments, textile machinery, machine tools, bicycles, wood screws, electrodes, etc.	Iron ore, manganese ore, shellac, myrobalan and myrobalan extracts, mica, cane, tea, pepper, hides and skins, tobacco, chemicals, herbs and drugs, groundnut oil, etc.
Ausi			

Finland	12 January 1951 (exchange of letters)	For the year 1951	Chemical wood pulp, newsprint, writing and printing paper, wood pulp board, potassium chloride, sporting requisites, farming machinery, electric motors, etc.	Tobacco, hides and skins, cashew nuts, spices, jute goods, tea, coffee, shellac, coir yarn, groundnut oil, castor oil, cotton yarn, cotton waste, essential oils, etc.
Hungary	Letters exchanged on 20 January 1951.	For the year 1951	Diesel engines, tractors, machine tools, electric motors, transformers, switches, telephone equipment, plywood for tea chests, etc.	Cotton piecegoods, cotton waste, coffee, tea, tobacco, spices, shellac, hides and skins, myrobalan and its extracts, etc.
Indonesia	20 January 1951	1 November 1950 to 30 June 1951.	Palm oil, copra, coconut oil, teak, spices, tin, raw hides and skins, tapioca, etc.	Cotton yarn and piecegoods, agricultural machinery, cement, lac, coal, jute goods, etc.
Egypt	17 March 1951	1 March 1951 to 29 February 1952.	Raw cotton, cotton yarn, gypsum, flax, etc.	Tea, unmanufactured tobacco, oils and oilseeds, shellac, cotton piecegoods, coffee, etc.
Argentina	18 July 1950	Extension of the original agreement for 1951.	424,000 tons of wheat and 156,000 tons of wheat (supplementary)	60,000 tons of jute goods and 20,000 tons of jute goods (supplementary)
	7 September 1950		60,000 tons of rice.	12,750 tons of jute goods.
	3 January 1951		50,000 tons of rice.	16,500 tons of jute goods.
Ministry of Trade and Commerce				
Nepal	31 July 1950	To come into force three months after the date of signature and remain in force for a period of ten years in the first instance and unless terminated by either party, continue for a further period of ten years.		

STATEMENT 86

STERLING TRANSACTIONS OF THE RESERVE BANK OF INDIA*

(Reference paragraph 81)

		Purchases†		Sales‡		Net Purchases(+) Sales (-)	
		£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs
1948-49	..	30,030	40,04	82,688	1,10,35	- 52,658	- 70,31
1949-50	..	200,268	267,02	60,720	81,04	+ 139,548	+ 185,98
1950-51	..	345,173	460,23	109,618	1,46,28	+ 235,555	+ 313,95
1949-50							
April	..	350	47	9,160	12,22	- 8,810	- 11,76
May	..	300	40	14,022	18,71	- 13,722	- 18,31
June	..	605	81	14,587	19,44	- 13,982	- 18,64
July	..	730	97	10,945	14,61	- 10,215	- 13,64
August	..	2,905	3,87	1,580	2,11	+ 1,325	+ 1,76
September	..	40,415	53,89	3,431	4,58	+ 36,984	+ 49,31
October	..	48,215	64,29	30	4	+ 48,185	+ 64,25
November	..	32,990	43,99	605	81	+ 32,385	+ 43,18
December	..	33,215	44,29	150	20	+ 33,065	+ 44,09
January	..	18,185	24,25	1,045	1,39	+ 17,140	+ 22,85
February	..	15,018	20,02	1,690	2,26	+ 13,328	+ 17,77
March	..	7,340	9,79	3,495	4,66	+ 3,845	+ 5,12
1950-51							
April	..	10,355	13,81	13,162	17,56	- 2,807	- 3,76
May	..	32,520	43,36	14,809	19,76	+ 17,711	+ 23,60
June	..	15,190	20,25	17,820	23,78	- 2,630	- 3,52
July	..	16,095	21,46	14,390	19,20	+ 1,705	+ 2,26
August	..	20,743	27,66	13,657	18,23	+ 7,086	+ 9,43
September	..	26,355	35,14	2,385	3,18	+ 23,970	+ 31,96
October	..	11,715	15,62	7,837	10,46	+ 3,878	+ 5,16
November	..	20,300	27,07	7,985	10,66	+ 12,315	+ 16,41
December	..	10,020	13,36	6,335	8,45	+ 3,685	+ 4,91
January	..	13,610	18,15	6,660	8,89	+ 6,950	+ 9,26
February	..	99,105	1,32,14	2,297	3,07	+ 96,808	+ 1,29,07
March	..	69,165	92,22	2,281	3,04	+ 66,884	+ 89,18

* Excluding Government transactions. † Ready and forward purchases, and cancellations of forward sale contracts. Average rate of purchases: 1s. 6d. ‡ Ready and forward sales, and cancellations of forward purchase contracts. Average rate of sales: 1s. 5-63/64d. (except for September, November 1949 and February 1951 when the rate averaged 1s. 5-31/32 d.)

STATEMENT 87

PRICES (MONTHLY) OF BAR GOLD AND SOVEREIGNS IN BOMBAY, 1950-51 (Reference paragraph 92)

	Gold (per fine tola)						Sovereigns						Average estimated stocks of gold in Bombay**
	SPOT			SETTLEMENT*			SPOT			SETTLEMENT*			
	Highest	Lowest	Average†	Highest	Lowest	Average†	Highest‡	Lowest‡	Average†	Highest‡	Lowest‡	Average†	
1950-51	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	(Tolas)
April	119 13 0 (27)	114 8 0 (4)	116 14 11	118 9 0 (27)	114 2 0 (4)	116 5 3	76 15 0 (28 & 29)	75 11 0 (10 & 11)	76 2 3	38,750			
May	120 2 0 (6)	117 13 0 (31)	118 14 10	118 14 0 (2 & 6)	117 1 0 (31)	117 15 6	77 4 0 (4)	76 10 0 (28)	76 14 4	43,000			
June	118 7 0 (2)	112 4 0 (20)	115 1 8	118 4 0 (1)	111 10 0 (24)	114 10 4	76 12 0 (1 & 2)	74 8 0 (16)	75 9 11	66,000			
July	116 3 0 (1, 3 & 5)	113 4 0 (17 & 18)	114 9 4	115 13 0 (5)	113 4 0 (18 & 20)	114 6 6	76 8 0 (5)	75 10 0 (17)	76 0 3	86,250			
August	114 15 0 (4)	112 14 0 (32)	113 15 0	114 15 0 (4)	112 13 0 (22)	113 12 10	76 7 0 (4)	76 0 0 (22, 23, 28 & 30)	76 2 6	1,12,500			
September	113 12 0 (14 & 18)	111 10 0 (30)	112 15 9	113 9 0 (14)	111 7 0 (30)	112 13 1	76 5 0 (14)	75 12 0 (4)	76 0 11	96,000			
October	112 8 0 (3)	106 10 0 (31)	110 3 5	112 5 0 (3)	106 5 0 (31)	109 14 9	75 15 0 (3 & 4)	74 3 0 (31)	75 5 11	66,250			
November	110 0 0 (30)	104 12 0 (2)	108 3 5	109 13 0 (30)	104 8 0 (2)	107 14 7	75 6 0 (18 & 30)	73 13 0 (4)	74 13 6	55,000			
December	114 4 0 (28)	106 15 0 (14)	109 15 10	114 7 0 (28)	107 1 0 (14)	109 14 3	76 10 0 (28)	74 10 0 (14)	75 5 7	76,000			
January	115 0 0 (10)	110 14 0 (25)	112 12 11	115 2 0 (10)	110 14 0 (25)	112 15 5	76 2 0 (10 & 31)	75 4 0 (4)	75 11 4	1,50,000			
February	114 12 0 (20)	111 14 0 (6 & 7)	113 6 5	114 4 0 (20)	111 12 0 (6 & 7)	113 3 8	77 8 0 (19-21)	76 0 0 (1)	76 13 11	83,750			
March	114 14 0 (31)	112 5 0 (17)	113 3 8	114 10 0 (31)	112 1 0 (17)	112 13 9	78 4 0 (30 & 31)	76 14 0 (1)	77 6 2	56,000			
1950-51	120 2 0	104 12 0	113 7 4	118 14 0	104 8 0	113 3 5	78 4 0	73 13 0	76 0 9	77,308			

The United States Treasury's price of gold: \$35 per fine ounce from 1 February 1934.
The United Kingdom Treasury's buying price of gold: £ 8-12-3 per fine ounce from 9 June 1945 and £ 12-8-0 from 19 September 1949.

Notes.—Figures within brackets refer to dates of quotations.

* Monthly settlements. † In arriving at the highest, lowest and average prices, all settlement rates have been taken into account. ‡ Average of closing quotations for working days. ** Figures relate to closing prices. † Average of week-end stocks.

STATEMENT 88

PRICES* (WEEKLY) OF GOLD AND SILVER AND ESTIMATED STOCKS IN BOMBAY, 1950-51

(Reference paragraph 92)

		Silver					Gold							
1950-51 FRIDAY		Spot		Settlement†		Estimated Stocks (In bars of 2,800 tolas)	Premium (+) or Discount (-) of spot over settlement		Spot		Settlement†		Premium (+) or Discount (-) of spot over settlement	Estimated Stocks (Tolas)
		(Per 100 tolas gross)		(Per fine tolas)			Rs. a.		Rs. a.					
April	7	186 7	185 1	185 1	185 1	3,000	+1 6	116 0	115 8	+0 8	35,000			
	14	187 13	186 9	186 9	186 9	2,000	+1 4	116 2	115 10	+0 8	40,000			
	21	188 1	186 13	186 13	186 13	2,800	+5 2	117 12	116 14	+0 14	40,000			
	28	188 12	182 15	182 15	182 15	2,500	+0 10	118 5	(116 6)	+1 6	40,000			
May	5	190 6	182 2	182 2	182 2	2,500	+6 0	119 15	117 9	+0 12	40,000			
	12	189 13	(182 12)	(182 12)	(182 12)	3,000	+4 8	118 9	(116 14)	+1 7	40,000			
	19	191 0	185 14	185 14	185 14	3,000	+2 0	118 3	118 3	+1 6	40,000			
	26	190 14	187 13	187 13	187 13	3,000	+4 2	118 1	118 1	+0 14	40,000			
June	2	186 2	189 12	189 12	189 12	3,000	+1 4	118 13	118 1	+0 12	50,000			
	9	185 13	(186 4)	(186 4)	(186 4)	2,500	+4 12	118 8	118 0	+0 8	50,000			
	16	179 12	190 7	190 7	190 7	3,000	+0 7	118 2	(117 7)	+1 1	50,000			
	23	175 3	(186 13)	(186 13)	(186 13)	3,000	+4 1	113 7	117 6	+0 12	75,000			
July	7	181 5	185 7	185 7	185 7	3,500	+0 11	113 2	115 9	+0 7	70,000			
	14	181 13	(186 3)	(186 3)	(186 3)	4,000	-0 1	112 10	113 1	+0 6	60,000			
	21	182 3	185 11	185 11	185 11	3,200	+0 2	114 15	114 9	+0 8	75,000			
	28	178 4	(184 1)	(184 1)	(184 1)	3,700	+1 12	115 8	(114 6)	+0 9	75,000			
August	4	182 2	179 4	179 4	179 4	4,000	+0 8	114 7	115 4	+0 4	1,00,000			
	11	180 3	(179 0)	(179 0)	(179 0)	3,700	+0 14	114 1	114 7	—	1,00,000			
	18	179 0	(175 6)	(175 6)	(175 6)	3,500	+0 3	113 12	114 1	—	1,00,000			
	25	179 4	(177 8)	(177 8)	(177 8)	3,500	+0 15	113 11	113 11	+0 1	70,000			
			(178 4)	(178 4)	(178 4)	3,500	+0 5	(113 13)	(113 13)	-0 1	1,00,000			
						3,500	+0 12	114 15	114 15	—	1,00,000			
						3,500	+1 0	114 2	114 2	—	1,00,000			
						3,600	+1 0	113 15½	113 14½	+0 1	1,50,000			
						3,600	+1 8	113 7½	113 4½	+0 3	1,00,000			
						3,600	+0 15	(113 8½)	(113 8½)	-0 1	1,00,000			

September	1	182 0	180 14	+1 2	3,400	113 4	113 3	+0 1	1,25,000
"	8	182 8	181 4	+1 4	3,700	113 3	113 1	+0 2	90,000
"	15†	183 11	182 7	+1 4	3,700	113 12	113 9	+0 3	90,000
"	22	184 1	(181 12)	+1 15	3,500	112 11	112 8	+0 3	75,000
"	29	182 0	(183 2)	+0 15	4,000	112 5	(112 11)	+0 3	1,00,000
October	6	183 11	182 11	+1 0	4,000	111 15†	111 14†	+0 1	90,000
"	13	183 0	181 14	+1 2	4,000	110 12	110 9	+0 3	65,000
"	20†	182 1	181 1	+1 0	4,000	110 6	110 1	+0 5	60,000
"	27	181 15	(181 5)	+0 12	4,000	108 15	(109 15)	+0 7	60,000
November	3	178 7	181 5	+0 10	4,400	107 5	108 10	+0 5	50,000
"	10†	178 9†	177 13	+0 10	4,400	107 5	107 0	+0 5	60,000
"	17	181 11	177 11†	+0 14	4,300	108 4†	107 10†	+0 10	60,000
"	24	181 4	180 7	+1 4	2,500	109 2	108 10	+0 8	50,000
"	29†	183 13	(180 13)	+0 14	4,000	108 6	(108 7)	+0 11	50,000
December	1	184 11	179 12	+1 8	4,000	109 11	108 2	+0 4	70,000
"	8	184 6	(180 2)	+1 2	3,500	109 11	(108 4)	+0 5†	70,000
"	15†	185 4	182 11	+2 0	4,000	109 6	109 1†	—	80,000
"	22	187 2	182 10	+1 12	4,000	107 4	107 6	-0 2	60,000
"	29†	188 13	(184 1)	+1 3	3,500	110 5†	(107 9)	+0 5	1,00,000
January	5	187 9	183 10	+1 8	4,500	112 13	110 1†	+0 4	1,00,000
"	12	191 9	(186 6)	+0 12	4,800	113 0	(110 9†)	-0 4	2,00,000
"	19	191 4	190 11	+0 2	4,000	112 15	113 2	-0 2	1,50,000
"	26†	189 4	(191 7)	-0 3	4,000	113 1	113 1	-0 9	1,50,000
February	2	192 6	188 4	+1 0	4,000	111 12	(113 10)	—	1,50,000
"	9	191 14	191 2	+1 4	3,500	113 3	113 3	—	1,00,000
"	16	195 8	190 6	+1 8	4,500	112 9†	112 6†	+0 3	1,00,000
"	23	194 15	193 8	+2 0	3,500	113 12	113 6	+0 6	75,000
March	2	192 4	(193 9)	+1 15	4,500	114 3	(113 8)	+0 4	60,000
"	9	194 4	193 7	+1 8	4,500	113 12	113 12	+0 7	60,000
"	16	194 9	192 12	+1 4	4,000	113 1†	112 12†	+0 5	60,000
"	23†	194 1	(192 9)	+1 11	5,000	113 1	112 13	+0 4	60,000
"	30	197 11	(182 13)	+1 12	4,800	112 8†	(112 12†)	+0 4†	60,000
"	30	197 11	(192 12)	+1 6	4,500	114 6	(112 5†)	+0 3	40,000
"	30	197 11	196 3	+1 8	4,500	114 6	114 3	+0 3	40,000

* Closing quotations. † Monthly settlements. When two settlements run during one week, the quotation for the new settlement is shown in brackets.
‡ Market closed; preceding working day's quotations given. § Opening quotations given as closing quotations are not available.

STATEMENT 89

SPOT PRICES (ANNUAL) OF GOLD AND SILVER IN BOMBAY AND IMPORT DUTIES

(Reference paragraph 92)

Year	Gold (per fine tola)				Silver (per 100 tolas gross)					
	Highest	Lowest	Average†		Import duty	Highest	Lowest	Average‡		Import duty
			Rs.	a. p.		Rs.	a. p.	Rs.	a. p.	
1926-27	21 11 6	21 4 6	21	7 8	Rs. a. p.	72 0 0	55 8 0	63	1 5	
1927-28	21 11 3	21 4 9	21	7 6		61 2 0	56 8 0	59	3 7	
1928-29	21 11 6	21 4 6	21	6 10		66 6 0	58 2 0	60	9 2	
1929-30	22 0 0	21 5 3	21	7 5		59 7 0	46 14 0	53	9 11	
1930-31	21 13 3	21 3 6	21	12 6		57 4 0	39 0 0	46	15 1	9 6 0
1931-32	31 2 0	21 3 6	24	4 3		66 8 0	41 12 0	50	3 11	14 1 0
1932-33	32 1 6	26 10 0	29	5 2		60 0 0	48 14 0	52	11 4	14 1 0
1933-34	34 12 0	28 11 0	32	4 5		59 14 0	52 15 0	56	0 10	17 9 3
1934-35	36 13 3	33 3 0	35	15 8		69 0 0	50 7 0	60	13 5	11 11 6
1935-36	36 12 0	31 3 6	35	4 11		87 0 0	46 12 0	65	1 1	4 11 0
1936-37	35 8 0	33 15 3	34	12 6		56 2 0	47 0 0	50	5 8	4 11 0
1937-38	35 2 9	34 3 6	34	7 10		55 15 6	46 1 6	51	4 1	7 0 6
1938-39	37 10 6	34 12 3	35	10 3		53 1 6	48 2 0	51	11 3	7 0 6
1939-40	43 8 0	36 9 0	39	13 11		66 4 0	44 7 6	55	4 9	7 0 6
1940-41	48 8 0	40 2 6	42	6 0		64 13 0	54 10 0	62	8 0	7 0 6
1941-42	57 12 0	41 9 6	44	7 11		97 6 0	61 12 6	66	11 4	8 7 0*
1942-43	72 0 0	44 12 0	57	10 10		116 8 0	75 4 0	94	2 6	8 7 0*
1943-44	96 4 0	65 4 0	76	11 6		141 8 0	101 8 6	120	7 11	8 7 0*
1944-45	76 12 0	61 2 0	71	7 4		143 4 0	113 10 0	128	10 9	8 7 0*
1945-46	97 12 0	63 6 0	80	3 0	25 0 0(a)	139 6 0	118 0 0	135	1 11	8 7 0*
1946-47	111 0 0	84 4 0	101	1 2	(25 0 0)	195 0 0	127 0 0†	162	4 10	18 12 0(a)
1947-48	117 12 0	95 14 0	108	0 4	(25 0 0)	183 13 0†	142 8 0	169	12 6	9 6 0(b)
1948-49	121 0 0	103 0 0	114	9 10	12 8 0	190 8 0	106 8 0	177	9 0	9 6 0
1949-50	119 10 0	107 2 0	114	14 11	12 8 0	192 12 0	138 14 0	174	11 10	9 6 0
1950-51	120 2 0	104 12 0	113	7 4	(12 8 0)	198 12 0	173 14 0	185	14 3	9 13 6(c)

* Average of closing quotations for working days.

† Including surcharge of 20 per cent.

‡ Unofficial.

(a) Effective from 1 March 1946.

(b) Effective from 1 March 1951.

(c) Effective from 12 August 1946.

STATEMENT 90

PRICES (MONTHLY) OF SILVER IN LONDON, NEW YORK AND BOMBAY, 1950-51 (Reference paragraph 93)

Price in London* (Per fine ounce)			Market Price in New York† (Per fine ounce)			Market Price in Bombay (Per 100 tolas gross)			Average estimated stocks in Bombay†† (in tons of 2,500 tolas)		
Spot and Forward			Spot			Spot			Settlement‡		
High- est‡	Low- est‡	Aver- age**	High- est‡	Low- est‡	Aver- age**	High- est‡	Low- est‡	Average**	High- est‡	Low- est‡	Average**
d.	d.	d.	Cents	Cents	Cents	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.
April ..	63	63	71-75	71-75	71-75	191 12 0 (26)	183 12 0 (5)	187 10 11	190 12 0 (26)	181 8 0 (17)	186 6 7
May ..	63½	63	72-75	71-75	72-61	192 10 0 (20)	185 0 0 (31)	190 5 2	192 8 0 (3)	184 3 0 (10)	187 9 10
June ..	63½	63½	72-75	72-75	72-75	188 4 0 (2)	173 14 0 (20)	181 8 5	188 5 0 (2)	173 7 0 (20)	180 12 2
July ..	63½	63½	72-75	72-75	72-75	183 6 0 (10)	177 7 0 (29)	180 15 8	182 10 0 (10)	176 9 0 (20)	180 0 10
August ..	63½	63½	72-75	72-75	72-75	182 2 0 (4 & 9)	177 11 0 (22)	180 1 6	181 6 0 (4)	176 7 0 (22)	178 15 0
September..	63½	63½	72-75	72-75	72-75	184 10 0 (20)	180 12 0 (6 & 20)	182 15 5	183 8 0 (20 & 22)	179 10 0 (6)	182 1 1
October ..	70	63½	80	72-75	75-18	184 7 0 (3)	178 1 0 (31)	182 6 11	183 3 0 (3)	177 9 0 (31)	181 9 0
November..	70	70	80	80	80	185 9 0 (20)	176 8 0 (4)	180 8 2	183 13 0 (20)	175 13 0 (6)	179 11 0
December ..	70	70	80	80	80	180 2 0 (28)	182 15 0 (17)	186 2 0	189 8 0 (28)	181 3 0 (7)	184 13 8
January ..	78½	70	90-16	80	88-71	193 5 0 (16)	186 3 0 (3)	190 5 0	192 13 0 (10)	185 11 0 (3)	190 1 10
February ..	78½	78½	90-16	90-16	90-16	197 8 0 (20)	180 12 0 (7 & 28)	193 9 7	195 12 0 (20)	189 4 0 (28)	192 5 7
March ..	78½	78½	90-16	90-16	90-16	198 12 0 (31)	180 2 0 (1)	194 6 7	197 4 0 (31)	188 14 0 (1)	192 12 6
1950-51 ..	78½	63	90-16	71-75	77-94	198 12 0	173 14 0	185 14 3	197 4 0	173 7 0	184 11 10

Note.—Figures within brackets refer to dates of quotations. * United Kingdom Treasury's price of silver for essential purposes; † spot and forward rates remained identical throughout 1950-51. ‡ Price of foreign silver in New York. § Monthly settlements. ¶ Arriving at the highest, lowest and average prices, all settlement rates have been taken into account. § Figures relate to closing prices. ** Average of closing quotations for working days. †† Average of week-end stocks.

STATE

QUANTITY AND VALUE OF IMPORTS AND EXPORTS OF GOLD
(Reference)

	IMPORTS‡					
	Gold Metal**		Gold Coin††		TOTAL	
	Quantity in ounces	Value in rupees	Quantity in ounces	Value in rupees	Quantity in ounces	Value in rupees
Average for 1900-01 to 1904-05 .. ..	..	5,72,18,318	..	9,34,97,221	2,496,571	15,07,15,539
Average for 1905-06 to 1909-10 .. ..	..	9,65,96,452	..	7,83,64,043	2,845,107	17,49,60,495
Average for 1910-11 to 1914-15	2,115,569	13,49,74,877	2,786,453	16,42,39,395	4,902,022	29,92,14,272
Average for 1915-16 to 1919-20	2,423,885	14,94,65,235	796,983	4,70,19,473	3,220,868	19,64,84,708
Average for 1920-21 to 1924-25	4,344,849	28,54,42,004	1,183,850	7,90,80,246	5,528,699	36,45,22,250
Average for 1925-26 to 1929-30	2,426,556	13,84,17,212	1,394,720	7,82,14,107	3,821,276	21,66,31,319
Average for 1930-31 to 1934-35	324,421	2,03,42,694	308,976	1,80,20,625	633,397	3,83,63,319
1935-36	56,200	50,72,099	47,261	44,23,311	103,461	94,95,410
1936-37	61,086	57,09,880	111,695	1,03,78,239	172,781	1,60,88,119
1937-38	39,967	34,61,069	131,699	1,22,23,092	171,666	1,56,84,161
1938-39	43,696	39,60,395	34,102	33,03,033	78,098	72,63,428
1939-40	26,231	27,26,503	44,692	44,97,696	70,923	72,24,199
1940-41	5,484	6,22,198	11	1,390	5,495	6,23,588
1941-42	2,496	2,96,375	442	50,255	2,938	3,46,630
1942-43	548	67,602	41,408	23,71,537	41,956	24,39,139
1943-44	18,908	35,84,367	3	625	18,911	35,84,992
1944-45	92,749	1,65,82,145	—	—	92,749	1,65,82,145
1945-46	10,994	22,02,853	—	—	10,994	22,02,853
1946-47	388,415	9,45,90,230	157	40,335	388,572	9,46,30,565
1947-48	350,465	9,82,24,007	5	121	350,470	9,82,24,128
Total for 31 years from 1900-01 to 1930-31 .. ..	..	4,37,37,11,488	..	2,77,13,83,881	116,402,337	7,14,50,95,369
Total for 11 years from 1931-32 to 1941-42	758,033	6,04,20,990	684,684	5,56,68,686	1,442,717	11,60,89,676
Total for 6 years from 1942-43 to 1947-48	862,079	21,52,51,204	41,573	24,12,618	903,652	21,76,63,822
1948-49	1,081	2,92,806	4	1,109	1,085	2,93,915
1949-50	704	2,15,244	12	2,976	716	2,18,220
1950-51	2,458	7,28,082	1	329	2,459	7,28,411

Note.—Upto and including 1941-42, figures relate to India and Burma. Figures upto the end of February 1948 are on a pre-partition basis (i.e., for undivided India), but those relating to the ports of Karachi and Chittagong have been excluded from 1 and 15 August 1947, respectively. Since March 1948, the data have been worked out on a post-partition basis (i.e., the figures include the sea-borne trade of the Indian Union with Pakistan). Foreign sea-borne trade of Kutch has been included from June 1948 and of Travancore, Saurashtra and Okha from April 1949. Foreign air-borne trade of Delhi air-port has been included from April 1950. § The figures for the year 1943-44 to 1945-46 do not include the sales of about 7.5 million ounces made in India on behalf of the Allied Governments. ** Include transactions in respect of coined gold upto and including 1947-48, while later figures relate to gold metal only. †† Figures upto and including 1947-48 relate to sovereigns and other British gold coin only.

MENT 91

COIN AND METAL (PRIVATE AND GOVERNMENT) SINCE 1900-01 paragraph 95)

EXPORTS

Gold Metal**		Gold Coin††		TOTAL		NET IMPORTS (+) OR EXPORTS (-)	
Quantity in ounces	Value in rupees	Quantity in ounces	Value in rupees	Quantity in ounces	Value in rupees	Quantity in ounces	Value in rupees
..	4,85,71,823	..	3,97,99,942	1,520,365	8,83,71,765	+	976,206 + 6,23,43,774
..	3,34,76,990	..	2,40,30,440	1,000,328	5,75,07,430	+	1,844,779 + 11,74,53,065
535,654	3,07,89,183	254,980	1,50,03,372	790,634	4,57,92,555	+	4,111,388 + 25,34,21,717
851,352	4,91,96,822	236,247	1,31,45,685	1,075,034	6,23,41,932	+	2,145,834 + 13,41,42,776
907,000	6,99,52,231	101,892	74,74,737	1,008,892	7,74,26,968	+	4,519,807 + 28,70,95,282
10,863	6,17,458	8,038	4,64,532	18,901	10,81,990	+	3,802,375 + 21,55,49,329
5,663,258	46,35,03,533	196,272	1,55,29,436	5,859,530	47,90,32,969	-	5,226,133¶ - 44,06,69,656¶
4,072,548	37,83,21,643	50,175	47,33,722	4,122,723	38,30,55,365	-	4,019,262 - 37,35,59,955
3,183,450	29,45,14,987	367	34,261	3,183,817	29,45,49,248	-	3,011,036 - 27,84,61,129
1,841,172	17,00,08,595	97,311	89,93,695	1,938,483	17,90,02,290	-	1,766,817 - 16,33,18,129
589,995	5,72,59,160	845,330	8,07,06,346	1,435,325	13,79,65,496	-	2,387,647* - 23,26,02,068*
3,426,914	37,17,43,852	10,405	11,02,393	3,437,319	37,28,46,245	-	4,155,343† - 44,64,30,422†
997,857	12,64,28,105	22,015	25,49,808	1,019,872	12,89,77,913	-	1,014,377 - 12,83,54,325
159,461	1,80,47,219	26,894	34,52,127	186,355	2,14,99,346	-	183,417 - 2,11,52,716
1,837	2,76,232	28,472	45,18,718	30,309	47,94,950	+	11,647 - 23,55,811
2,684	5,52,111	8,215	16,98,280	10,899	22,50,391	+	8,012 + 13,34,601
2,834	5,56,513	1,206	2,65,000	4,040	8,21,513	+	88,708 + 1,57,60,632
1,824	3,80,431	19,239	46,14,214	21,063	49,94,645	-	10,069 - 27,91,792
3,390	9,25,227	99,628	1,42,99,481	103,018	1,52,24,708	+	285,554 + 7,94,05,857
639	1,83,606	2	722	641	1,84,328	+	349,829 + 9,80,39,800
..	1,16,79,48,968	..	49,95,98,572	27,157,745	1,66,75,47,540	+	89,244,592 + 5,47,75,47,829
42,500,805	3,72,89,11,911	2,033,768	17,92,14,499	44,534,573	3,90,81,26,410	-	44,911,223‡ - 3,97,47,45,110‡
13,208	28,74,120	156,762	2,53,96,415	169,970	2,82,70,535	+	733,682 + 18,93,93,287
405	1,27,676	—	—	405	1,27,676	+	680 + 1,66,239
§§	90	—	—	§§	90	+	716 + 2,18,130
1,215	3,72,881	—	25	1,215	3,72,906	+	1,244 + 3,55,505

¶ During 1930-31, there was a net import of 2,242,653 ounces valued at Rs. 12,75,18,115, while during the next four years, namely, 1931-32 to 1934-35, the net total exports amounted to 28,373,324 ounces valued at Rs. 2,33,08,66,366.

* Including 1,030,420 ounces of gold valued at Rs. 10,19 lakhs earmarked on account of purchasers abroad. † Including 788,947 ounces of gold valued at Rs. 8,08,08,376 earmarked on account of purchasers abroad. ‡ Including 1,819,367 ounces of gold valued at Rs. 18,27,08,376 earmarked on account of purchasers abroad during 1938-39 and 1939-40.

§§ During the year, only 0·3 of an ounce valued at Rs. 90 was exported.

STATEMENT 92

QUANTITY AND VALUE OF IMPORTS AND EXPORTS OF SILVER (PRIVATE AND GOVERNMENT) SINCE 1900-01*

(Reference paragraph 95)

	IMPORTS		EXPORTS		NET IMPORTS (+) OR EXPORTS (-)	
	Quantity in ounces	Value in rupees	Quantity in ounces	Value in rupees	Quantity in ounces	Value in rupees
Average for 1900-01 to 1904-05 ..	81,897,274	14,64,66,929	24,847,996	4,53,25,015	+ 57,049,278	+ 10,11,41,914
Average for 1905-06 to 1909-10 ..	96,327,973	17,76,32,259	9,290,601	2,30,88,229	+ 87,037,372	+ 15,45,44,030
Average for 1910-11 to 1914-15 ..	78,167,324	14,13,58,602	17,156,023	3,52,17,279	+ 61,011,301	+ 10,61,41,323
Average for 1915-16 to 1919-20 ..	117,681,324	30,70,50,465	10,955,709	2,74,11,840	+ 106,725,615	+ 27,96,38,625
Average for 1920-21 to 1924-25 ..	88,745,101	19,19,90,085	15,136,478	3,45,76,258	+ 73,608,623	+ 15,74,13,827
Average for 1925-26 to 1929-30 ..	110,236,394	17,49,50,243	22,882,522	3,65,09,196	+ 87,353,872	+ 13,84,41,047
Average for 1930-31 to 1934-35 ..	37,308,897	4,95,80,893	46,660,021	5,78,19,136	- 9,351,124†	- 82,38,243‡
1935-36	49,836,880	6,45,74,760	48,320,802	7,03,09,479	+ 1,516,078	- 57,34,719
1936-37	112,255,948	13,87,64,460	2,144,483	28,47,436	+ 110,111,465	+ 13,59,17,024
1937-38	19,563,063	2,50,39,330	7,619,840	99,56,495	+ 11,945,223	+ 1,50,82,835
1938-39	11,441,073	1,49,01,895	7,404,495	91,10,289	+ 4,036,578	+ 57,91,606
1939-40	31,041,720	4,10,47,739	17,219,624	2,62,03,452	+ 13,822,096	+ 1,48,44,287
1940-41	8,643,502	1,41,61,597	20,954,329	3,42,31,547	- 12,310,827	- 2,00,69,950
1941-42	21,583,401	3,76,53,395	50,165,195	9,21,35,832	- 28,581,794	- 5,44,82,437
1942-43	1,558,908	28,72,603	35,871,861	8,57,89,032	- 34,312,953	- 8,29,16,429
1943-44	26,412,675	3,93,16,645	5,829,363	1,72,94,464	+ 20,583,312	+ 2,20,22,181
1944-45	145,814,945	22,70,77,921	1,462,400	40,08,696	+ 144,352,545	+ 22,30,69,225
1945-46	56,282,151	8,06,97,566	546,484	15,95,565	+ 55,735,667	+ 7,91,02,001
1946-47	70,556,896	24,58,87,399	51,374	2,26,657	+ 70,505,522	+ 24,56,60,742
1947-48	26,204,748	11,60,45,235	1,501	6,737	+ 26,203,247	+ 11,60,38,498
Total for 40 years from 1900-01 to 1939-40	3,275,962,119	6,22,94,75,564	817,355,994	1,41,81,61,916	+ 2,458,606,125	+ 4,81,13,13,648
Total for 8 years from 1940-41 to 1947-48	357,057,226	76,37,12,361	114,882,507	23,52,88,530	+ 242,174,719	+ 52,84,23,831
1948-49§	1,820,195	83,66,371	122	568	+ 1,820,073	+ 83,65,803
1949-50§	149,021	5,75,011	77,870	3,56,206	+ 71,151	+ 2,18,805
1950-51§	66,216	3,26,119	488	2,333	+ 66,728	+ 3,23,786

Note.—Up to and including 1941-42, figures relate to India and Burma. Figures up to the end of February 1948 are on a pre-partition basis (i.e., for undivided India), but those relating to the ports of Karachi and Chittagong have been excluded from 1 and 15 August 1947, respectively. Since March 1948, the data have been worked out on a post-partition basis (i.e., the figures include the sea-borne trade of the Indian Union with Pakistan). Foreign sea-borne trade of Kutch has been included from June 1948 and of Travancore, Saurashtra and Okha from April 1949. Foreign air-borne trade of Delhi air-port has been included from April 1950.

* Government of India rupees are shown at face value. † During 1930-31, there was a net import of 80,585,935 ounces valued at Rs. 10,07,93,056, while during the next four years, namely, 1931-32 to 1934-35, the net total exports amounted to 127,291,557 ounces valued at Rs. 14,19,84,267. ‡ Exclude Government of India coins.

STATEMENT 93

IMPORTS AND EXPORTS OF GOLD AND SILVER, 1950-51

(Private and Government)

(Reference paragraph 95)

	GOLD*						SILVER†	
	IMPORTS			EXPORTS			IMPORTS	
	Quantity in ounces	Value in rupees	Quantity in ounces	Value in rupees	Quantity in ounces	Value in rupees	Quantity in ounces	Value in rupees
1950-51					NET IMPORTS (+) OR EXPORTS (-)			
April ..	462	1,42,855	—	—	+ 462	+ 1,42,855	12	40
May ..	390	1,22,848	—	—	+ 390	+ 1,22,848	4,431	22,673
June ..	—	—	406	1,38,402	— 406	— 1,38,402	4,744	23,545
July ..	113	34,493	—	—	+ 113	+ 34,493	—	—
August ..	53	15,558	—	—	+ 53	+ 15,558	—	—
September ..	459	1,29,816	4	1,026	+ 455	+ 1,28,791	—	—
October ..	185	55,034	—	—	+ 185	+ 55,034	10,241	50,045
November ..	542	1,56,630	—	—	+ 542	+ 1,56,630	22,518	1,08,810
December ..	96	26,797	—	—	+ 96	+ 26,797	16,095	79,071
January ..	137	37,698	—	—	+ 137	+ 37,698	—	—
February ..	21	6,423	805	2,43,479	— 784	— 2,37,056	—	—
March ..	1	59	—	—	+ 1	+ 259	8,175	41,935
Total ..	2,459	7,28,411	1,215	3,72,906	+ 1,244	+ 3,55,505	66,216	3,26,119

Note.—Figures are on a post-partition basis (*i.e.*, the data include the sea-borne trade of the Indian Union with Pakistan). Data include the foreign sea-borne trade of Kuwait, Travancore, Saurashtra and Okha and foreign air-borne trade of Delhi air-port.
 * Comprising gold metal and gold coin. † Comprising silver bullion and coin (excluding Government of India coins). There were no exports of silver during 1950-51, except in July 1950, when 488 ounces of silver coins valued at Rs. 2,333 were re-exported.

STATE

WHOLE RUPEES COINED AND ISSUED

		Coined in Calcutta Rs.	Coined in Madras Rs.	Coined in Bombay Rs.	(Reference Total Coined Rs.)
William IV, 1835	.. ..	10,90,88,070	11,78,000	5,37,12,502	16,39,78,572
Victoria, 1840, 1st issue	.. ..	17,99,34,670	2,18,98,181	10,98,38,073	31,16,70,924
„ 1840, 2nd issue	.. ..	39,85,53,660	5,50,49,201	31,29,58,076	76,65,60,937
„ 1862	.. ..	26,94,27,222	2,94,81,923	40,80,03,034	70,69,12,179
„ 1874	.. ..	1,50,13,834		2,85,08,566	4,35,22,400
„ 1875	.. ..	1,16,31,951		1,93,59,597	3,09,91,548
„ 1876	.. ..	1,20,01,264		2,89,49,037	4,09,50,301
„ 1877	.. ..	3,92,51,692		9,55,54,320	13,48,06,012
„ 1878	.. ..	3,26,57,837		6,39,27,196	9,85,85,033
„ 1879	.. ..	1,59,28,325		7,27,99,904	8,87,28,229
„ 1880	.. ..	1,83,99,894		5,37,85,624	7,21,85,518
„ 1881	.. ..	24,35,719		31,61,858	55,97,577
„ 1882	.. ..	1,50,90,289		5,63,97,278	7,14,87,567
„ 1883	.. ..	51,23,372		1,80,22,789	2,31,46,161
„ 1884	.. ..	1,16,41,757		3,68,46,570	4,84,88,327
„ 1885	.. ..	3,41,52,203		6,48,78,000	9,90,30,203
„ 1886	.. ..	1,08,78,075		4,11,46,457	5,20,24,532
„ 1887	.. ..	4,02,00,148		4,84,00,000	8,86,00,148
„ 1888	.. ..	75,68,000		6,32,00,000	7,07,68,000
„ 1889	.. ..	93,68,310		6,53,00,000	7,46,68,310
„ 1890	.. ..	2,47,41,865		9,29,00,000	11,76,41,865
„ 1891	.. ..	1,46,69,903		4,95,00,000	6,41,69,903
„ 1892	.. ..	3,24,55,120		7,22,00,000	10,46,55,120
„ 1893	.. ..	91,40,310		6,95,90,000	(a) 7,87,30,310
„ 1897	.. ..	4,70,184		10,54,593	(b) 15,24,777
„ 1898	.. ..	12,59,976		62,68,437	(b) 75,19,413
„ 1900	.. ..	5,29,02,591		6,52,36,908	(c) 11,81,39,499
„ 1901	.. ..	3,37,22,243		7,54,13,718	(d) 10,91,35,961
„ 1901 coined in 1902	.. ..	3,82,94,644		5,48,44,740	(e) 9,31,39,384
Edward VII, 1903 coined in 1902	.. ..	25,000		—	25,000
„ 1903	.. ..	4,93,78,355		5,29,69,151	(f) 10,23,47,506
„ 1904	.. ..	5,83,38,617		10,19,40,291	(g) 16,02,78,908
„ 1905	.. ..	5,12,57,883		7,62,02,223	(h) 12,74,60,106

(a) Including Rs. 5,90,000 coined for the Bikaner State.

(c) „ Rs. 2,09,02,414 coined for Indian States.

(e) „ Rs. 2,98,86,014 „ „ „

(g) „ Rs. 59,422 „ „ „

(b) On account of Kashmir and Bhopal re-coinage.

(d) Including Rs. 1,90,43,904 coined for Indian States.

(f) „ Rs. 11,66,451 „ „ „

(h) „ Rs. 3,28,000 „ „ „

MENT 94

FROM THE MINTS SINCE 1835

paragraph 102)

		Coined in Calcutta Rs.	Coined in Madras Rs.	Coined in Bombay Rs.	Coined in Lahore Rs.	Total Coined Rs.
Edward VII.	1906	10,47,97,164		15,89,53,269		(j) 26,37,50,433
"	" 1907	8,13,38,000		17,09,11,816		(k) 25,22,49,816
"	" 1908	2,02,17,728		1,07,14,770		3,09,32,498
"	" 1909	1,27,58,580		95,38,746		(l) 2,22,97,326
"	" 1910	85,00,000		91,88,673		1,76,88,673
"	" 1910 coined in 1911	41,27,013		16,96,273		58,23,286
George V.	1911	42,99,924		51,43,125		94,43,049
"	" 1912	4,51,22,132		7,90,67,074		(m) 12,41,89,206
"	" 1913	7,58,00,163		8,74,65,788		(n) 16,32,65,951
"	" 1914	3,31,00,150		1,52,70,000		4,83,70,150
"	" 1915	99,00,139		53,71,979		1,52,72,118
"	" 1916	11,50,00,210		9,79,00,000		21,29,00,210
"	" 1917	11,32,00,217		15,15,82,659		26,47,82,876
"	" 1917 coined in 1918	17,74,025		—		17,74,025
"	" 1918	20,13,26,240		21,05,50,363		41,18,76,603
"	" 1918 coined in 1919	40,94,006		—		40,94,006
"	" 1919	19,68,06,224		22,67,06,054		42,35,12,278
"	" 1919 coined in 1920	1,44,00,031		—		1,44,00,031
"	" 1920	3,86,00,085		5,59,36,544		9,45,36,629
"	" 1920 coined in 1921	64,00,064		—		64,00,064
"	" 1920 coined in 1922	5,64,000		—		5,64,000
"	" 1920 coined in 1923	49,36,050		—		49,36,050
"	" 1921	—		51,15,121		51,15,121
"	" 1922	—		20,51,150		20,51,150
George VI.	1938 coined in 1940	—		98,02,178		98,02,178
"	" 1940	—		(o) 2,35,00,002		(o) 2,35,00,002
"	" 1941	—		(o) 24,11,00,001		(o) 24,11,00,001
"	" 1942	—		(o) 23,75,00,001		(o) 23,75,00,001
"	" 1943	—		(o) 6,69,94,637		(o) 6,69,94,637
"	" 1944	—		(o) 15,22,06,000	(o) 8,54,00,000	(o) 23,76,06,000
"	" 1945	—		(o) 13,47,94,000	(o) 9,11,00,000	(o) 22,58,94,000
"	" 1946	—		(o) 78,72,000	(o) 2,70,25,532	(o) 3,48,97,532
"	" 1947	—		(p) 6,07,00,000	(p) 4,19,11,000	(p) 10,26,11,000
"	" 1948	—		(p) 5,74,28,000		(p) 5,74,28,000
"	" 1949	—		(p) 3,61,56,000		(p) 3,61,56,000
"	" 1950	—		(p) 1,89,06,000		(p) 1,89,06,000
Asoka Pillar,	1950	—		(p) 1,39,00,000		(p) 1,39,00,000
Total William IV Standard		10,90,88,070	11,78,000	5,37,12,502		16,39,78,572
" Victoria	"	133,69,06,058	10,64,29,305	207,80,44,775		352,13,80,138
" Edward VII	"	39,07,38,340		59,21,15,212		98,28,53,552
" George V	"	86,53,23,660		94,21,59,857		180,74,83,517
" George VI	"	—		98,02,178		98,02,178
" George VI Quaternary	"	—		86,39,66,641	20,35,25,532	106,74,92,173
" George VI Nickel	"	—		17,22,90,000	4,19,11,000	21,42,01,000
" Asoka Pillar	"	—		1,39,00,000		1,39,00,000
TOTAL	..	270,20,56,128	10,76,07,305	472,59,91,165	24,54,36,532	778,10,91,130

(j) Including Rs. 3,90,310 coined for Indian States and Rs. 1,67,00,000 (Calcutta Rs. 32,00,000 and Bombay Rs. 1,35,00,000) coined from silver in Gold Standard Reserve.

(l) Including Rs. 1,01,459 coined for Indian States.

(n) Including Rs. 12,78,441 coined for Indian States.

(p) India nickel rupees.

(k) Including Rs. 94,766 coined for Indian States and Rs. 4,33,00,000 (Calcutta Rs. 1,68,00,000 and Bombay Rs. 2,65,00,000) coined from silver in Gold Standard Reserve.

(m) Including Rs. 16,56,250 coined for Indian States.

(o) Quaternary rupees.

STATEMENT 95

DESCRIPTION OF COINS IN ACTIVE CIRCULATION AT THE END OF MARCH 1951

(Reference paragraph 102)

Denomination	Gross Weight (Grains)	Composition (Proportion of Metals)	Diameter	Edge	Remarks
Standard Silver Quarter Rupee	45	Silver 918.6 per mille and the rest base metal	0.75" Round Coin	Milled Plain	
" " One-eighth rupee	22.5	"	0.60"	"	
Quaternary Alloy Rupee	180	Silver 50 per cent and the rest base metal	1.2"	Milled and security edged	
" " Half Rupee	90	"	0.95"	"	
" " Quarter Rupee	45	"	0.75"	"	
Pure Nickel Rupee	180	Nickel 100 per cent	1.1"	"	
" " Half Rupee	90	"	0.95"	Milled	
" " Quarter Rupee	45	"	0.75"	"	
Cupro-Nickel Four anna	105	75 per cent Copper and 25 per cent Nickel	{ 0.925" Across Flats 1.000" " Corners	Plain	Scalloped Coin
" " Two anna	90	"	{ 0.88" " Flats 1.00" " Corners	"	Square Coin with round corners
" " Two anna (George V)	90	"	{ 0.827" Across Flats 1.000" Across Corners	"	Square Coin with round corners
" " One anna	60	"	{ 0.827" Maximum 0.7795" Minimum	"	Scalloped Coin
" " Half anna	45	"	{ 0.778" Across Diagonal 0.684" Across Sides	"	Square coin with round corners
Nickel-Brass Two anna	90	79 per cent Copper, 1 per cent Nickel and 20 per cent Zinc	{ Same as Cupro-Nickel Coins above	"	Same as Cupro-Nickel Coins above
" " One anna	60	"	"	"	
" " Half anna	45	"	"	"	
Copper Single Pice	100	100 per cent Copper	1" Round Coin	"	
" " Half Pice	50	"	0.84"	"	
" " Pic Pices	33.333	"	0.68"	"	
Bronze* Single Pice	75	97 per cent Copper, 2½ per cent Zinc and ½ per cent Tin	1.00"	"	
" " "	30	"	0.84"	"	(with a circular hole)
" " "	60	"	0.84"	"	
" " "	45	"	0.84"	"	
" " Half Pice	37.5	"	0.84"	"	
" " Pic Pices	25	"	0.68"	"	

* The alloy for bronze coin had to be changed during the period of war due to the scarcity of tin. The proportion of this alloy upto February 1936 was 95% Copper, 4% Tin and 1% Zinc; from February 1936 to end of 1942, it was 95.5% Copper, 3% Tin and 1.5% Zinc; from 1943 to date it is in the proportion of Copper 97%, Tin 0.5% and Zinc 2.5%.

APPENDIX I

GOVERNMENT OF INDIA, MINISTRY OF FINANCE

Department of Economic Affairs

NOTIFICATION

New Delhi, the 7th August 1950.

S. R. O. 345.—In exercise of the powers conferred by section 6 of the Indian Coinage Act, 1906 (III of 1906), and in partial modification of the notifications of the Government of India in the late Finance Department Nos. (1) F. 2 (13)—F. 1/47 (1), dated the 24th May, 1947 (2) D. 5749-F. 1/46, dated the 23rd May, 1946 and (3) F. 2(217) (i to iv)—F/41, dated the 24th January, 1942 the Central Government is pleased to direct that :—

(a) The Rupee, Half-Rupee and Quarter-Rupee coins, which bear the date 1950 or any subsequent year, shall have on the obverse face a replica of the Lion Capital of the Ashoka Pillar, surrounded by the words GOVERNMENT OF INDIA in English ; and that the reverse face of these coins shall bear an Ears of Corn design, with the year of issue and the denomination of the coin in English and in Hindi (Devnagri script).

(b) The Two Anna, One Anna and Half Anna coins, which bear the date 1950 or any subsequent year, shall have on the obverse face a replica of the Lion Capital of the Ashoka Pillar, surrounded by the words GOVERNMENT OF INDIA in English ; and that the reverse face of these coins shall bear a replica of the BULL on the base of the Lion Capital of the Ashoka Pillar, with the year of issue and the denomination of the coin in English and in Hindi (Devnagri script) ; and

(c) The Pice or Quarter Anna coins which bear the date 1950 or any subsequent year, shall be circular in shape with a diameter of 0·840 inch, and that the obverse face of this coin shall have a replica of the Lion Capital of the Ashoka Pillar, surrounded by the words GOVERNMENT OF INDIA in English ; and that the reverse face of this coin shall bear a replica of the HORSE on the base of the Lion Capital of the Ashoka Pillar, with the year of issue and the denomination of the coin in English and in Hindi (Devnagri script).

(F. 1 (14)—F. 1/50)

S. R. O. 346.—In exercise of the powers conferred by section 7 of the Indian Coinage Act, 1906 (III of 1906), and in partial modification of the notification of the Government of India in the late Finance Department No. F. 2(48) (1) —F/42, dated the 23rd January 1943, the Central Government is pleased to make the following rule :—

The standard weight of the Pice or Quarter Anna coins which bear the date 1950 or any subsequent year shall be 60 grains Troy :

Provided that in the making of the said coin a remedy not exceeding one fortieth of the standard weight shall be allowed.

(F. 1(14)—F. 1/50)

S. K. Sen, Dy. Secy.

APPENDIX II

Approved Non-Scheduled Banks and Indigenous Bankers Eligible for Concessional Rates of Remittances under the Reserve Bank's Scheme for Remittances as at 31 March 1951

1. *Non-Scheduled Banks.*

1. Agricultural and Industrial Bank Ltd., Coondapur.
2. Amrit Bank Ltd., Amritsar.
3. Bank of Aundh Ltd., Aundh.
4. Bank of Chittoor Ltd., Chittoor.
5. Bank of Citizens Ltd., Belgaum.
6. Bank of Karad Ltd., Karad.
7. Bank of Konkan Ltd., Malvan.
8. Bank of the East (1927) Ltd., Gauhati.
9. Banthia Bank Ltd., Panvel.
10. Bareilly Bank Ltd., Bareilly.
- * 11. Bengal Bank Ltd., Calcutta.
12. Bharat Banking Co., Ltd., Silchar.
13. Bharat Industrial Bank Ltd., Poona.
14. Bishnupur Bank Ltd., Bishnupur.
15. Central Mercantile Bank Ltd., Monghyr.
16. Chawla Bank Ltd., Bannu.
17. Chotanagpur Banking Association Ltd., Hazaribagh.
18. Commonwealth Bank Ltd., Kumbakonam.
19. Dass Bank Ltd., Calcutta.
20. Eastern Union Bank Ltd., Dacca.
21. Frontier Bank Ltd., Dera Ismail Khan.
22. Gauhati Bank Ltd., Gauhati.
23. Himalya Bank Ltd., Kangra.
24. Hira Bullion Bank Ltd., Meerut.
25. India's Ideal Banking Corporation Ltd., Bangalore.
26. Indian National Bank Ltd., Calcutta.
27. Jaya Laxmi Bank Ltd., Mangalore.
28. Kannika Bank Ltd., Madras.
29. Karnataka Bank Ltd., Mangalore.
30. Kotagiri Bank Ltd., Kotagiri.
31. Kulitalai Bank Ltd., Tiruchirapalli.
32. Luxmi Industrial Bank Ltd., Calcutta.
33. Maharashtra Apex Bank Ltd., Udipi.
34. Mannargudi Bank Ltd., Mannargudi.
35. Melarkode Bank Ltd., Palghat.
36. Naini Tal Bank Ltd., Naini Tal.

* Since ordered to be wound up by the Calcutta High Court.

37. National Bank of Sialkot Ltd., Gurudaspur
38. Pollachi Union Bank Ltd., Pollachi.
39. Punjab and Kashmir Bank Ltd., Ludhiana.
40. Rajapalaiyam Commercial Bank Ltd., Rajapalaiyam.
41. Rayalaseema Bank Ltd., Bellary.
42. Reliance Bank of India Ltd., Madras.
43. Sahukara Bank Ltd., Ludhiana.
44. Salem Bank Ltd., Salem.
45. Satara Swadeshi Commercial Bank Ltd., Satara City.
46. Shillong Banking Corporation Ltd., Shillong.
47. Sind National Bank Ltd., Hyderabad (Sind).
- *48. Sonar Bangla Bank Ltd., Calcutta.
49. Southern India Apex Bank Ltd., Udipi.
50. Sri Mayuram Bank Ltd., Mayuram.
51. Supreme Bank of India Ltd., Belgaum.
52. Surat Banking Corporation Ltd., Surat.
- *53. Surma Valley Bank Ltd., Sylhet.
54. Sylhet Commercial Bank Ltd., Shillong.
55. Tennur Bank Ltd., Tennur.
56. Tezpur Industrial Bank Ltd., Tezpur.
57. Union Bank of Bengal Ltd., Calcutta.
58. Union Bank of Bijapur and Sholapur Ltd., Bijapur.
59. United Bank of Karnataka Ltd., Bagalkot.
60. United Western Bank Ltd., Satara City.
61. Vijaya Bank Ltd., Mangalore.

II. *Indigenous Bankers*

1. Messrs. Balakram Dwarkadas, Simla.
2. Messrs. Bhaulal Bankers, Shahjahanpur.
3. Messrs. Durgasah Mohanlalsah, Ranikhet.
4. Messrs. Moolchand Ramprasad, Banda.
5. Mr. Ranchodbhai Bhaichandbhai Sura, Bombay.
6. Messrs. S. S. Dhanayakumar Dharamdas & Co., Katni.
7. Union Banking Service, Chiplun.

* Since ordered to be wound up by the Calcutta High Court.

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